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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

GARY MORGA, derivatively on behalf
of MULLEN AUTOMOTIVE INC.,

Plaintiff,

v.

DAVID MICHERY, JONATHAN NEW,
JOHNATHAN ANDERSEN, MARK
BETOR, WILLIAM MILTNER,
IGNACIO NOVOA, KENT PUCKETT,
and MARY WINTER,

Defendants,

and

MULLEN AUTOMOTIVE INC.,

Nominal Defendant.

Case No.:

DEMAND FOR JURY TRIAL

**VERIFIED SHAREHOLDER
DERIVATIVE COMPLAINT**

INTRODUCTION

Plaintiff Gary Morga (“Plaintiff”), by Plaintiff’s undersigned attorneys, derivatively
and on behalf of nominal defendant Mullen Automotive Inc. (“Mullen” or the “Company”),

Verified Shareholder Derivative Complaint

1 files this Verified Shareholder Derivative Complaint against defendants David Michery
2 (“Michery”), Johnathan New (“New”), Johnathan Andersen (“Andersen”), Mark Betor
3 (“Betor”), William Miltner (“Miltner”), Ignacio Novoa (“Novoa”), Kent Puckett
4 (“Puckett”), and Mary Winter (“Winter”) (collectively, the “Individual Defendants,” and
5 together with Mullen, “Defendants”) for breaches of their fiduciary duties as directors
6 and/or officers of Mullen, unjust enrichment, abuse of control, gross mismanagement,
7 waste of corporate assets, and against Defendants Michery and New for contribution under
8 Sections 10(b) and 21D of the Securities Exchange Act of 1934 (the “Exchange Act”). As
9 for Plaintiff’s complaint against the Individual Defendants, Plaintiff alleges the following
10 based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information
11 and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and
12 through Plaintiff’s attorneys, which included, among other things, a review of the
13 Defendants’ public documents, conference calls and announcements made by Defendants,
14 United States Securities and Exchange Commission (“SEC”) filings, wire and press
15 releases published by and regarding Mullen, legal filings, news reports, securities analysts’
16 reports and advisories about the Company, and information readily obtainable on the
17 Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations
18 set forth herein after a reasonable opportunity for discovery.

19 **NATURE OF THE ACTION**

20 1. This is a shareholder derivative action that seeks to remedy wrongdoing
21 committed by the Individual Defendants from May 2022 to March 13, 2024, inclusive (the
22 “Relevant Period”).

23 2. Mullen is Delaware-incorporated automotive company focused on producing
24 electric vehicles (“EVs”) by working with partners with the aim of offering luxury SUVs,
25 sports cars, cargo vans, and solid-state batteries.

26 3. The Company hosted a shareholder meeting on December 23, 2022, (the
27 “December 23rd Shareholder Meeting”) where the Company asked investors to vote on,
28

1 *inter alia*, a reverse stock split.

2 4. Defendant Michery was in favor of the reverse stock split which was
3 evidenced by Mullen's issuance to him of a single Class AA preferred stock which came
4 with 1.3 billion votes. Defendant Michery's shares were immediately redeemable for cash
5 upon the reverse stock split's effectuation.

6 5. Even though the reverse stock split was approved, on January 25, 2023, the
7 Company announced it "has no plans at the current time to effect a reverse split."

8 6. On March 6, 2023, the Company announced in a press release titled "Rapid
9 Response Defense Systems Selects Mullen Automotive as the Exclusive Provider for Class
10 1 EV Cargo Vans" (the "March 6th Press Release") that the Company was being fast
11 tracked through a partnership with the Rapid Response Defense Systems ("RRDS") to
12 provide the government with large-scale vehicle fleet orders.

13 7. Later, on April 18, 2023, the Company announced through a press release (the
14 "April 18th Press Release") that it was forming a joint venture called Mullen Advanced
15 Energy Operations, LLC ("MAEO"), with Global EV Technology, Inc. MAEO was
16 purportedly set to produce energy management technologies starting with EVs with later
17 plans to scale to other energy applications.

18 8. Among other things, the April 18th Press Release detailed Global EV
19 Technology's Chief Scientific Officer Lawrence Hardge's ("Hardge") accomplishments.

20 9. Later, on May 15, 2023, the Company issued a press release titled "Mullen
21 Automotive Provides Business Update" (the "May 15 Press Release"). The May 15 Press
22 Release stated that MAEO's battery technology, named Energy Management Module
23 ("EMM"), was tested by Hardge and Mullen engineers in a Mullen vehicle and that the test
24 results showed EMM had increased battery capacity by 44%.

25 10. The May 15th Press Release also announced that Washington D.C. had
26 awarded Global EV Technologies, LLC a \$680,000 contract for the purchase and
27 installation of the Company's EMM units on a fleet of forty Chevrolet Bolts.
28

1 11. The truth about Hardge and Mullen’s battery technology began to emerge on
2 June 8, 2023, when a report from Jalopnik came out titled “I’m Not EV Startup Executive
3 Lawrence Hardge” (the “Jalopnik Report”). The Jalopnik Report revealed that test results
4 that claimed the EMM technology could increase battery capacity and range were
5 misleading because the test was not conducted on a “top EV” as claimed but instead on a
6 gold cart without wheels touching the ground.

7 12. On June 20, 2023, Investorplace issued a report titled “MULN Stock: Is
8 Lawrence Hardge Backing Away from Mullen Deal?” (the “Investorplace Report”). The
9 Investorplace Report highlighted comments made by Hardge and questioned whether the
10 partnership between Hardge and Mullen had fallen apart.

11 13. On June 21, 2023, the Company issued a press release (the “June 21st Press
12 Release”) stating that even though the Company’s stock price declined over 95% in the
13 past year, the Company “has already met or is positioned to meet previously announced
14 objectives.”

15 14. The truth continued to emerge on July 5, 2023, when a report was published
16 by Fastcompany titled “The wild saga of a convicted fraudster, a troubled EV company,
17 and the promise of a perfect battery” (the “Fastcompany Report”). The Fastcompany
18 Report detailed Hardge’s criminal past and questioned the capabilities of the EMM
19 technology.

20 15. On July 11, 2023, the Company filed a Form 8-K with the SEC (the “July 11th
21 Form 8-K”) announcing that Mullen had terminated its relationship with Hardge and
22 Global EV Technology, Inc. According to the July 18th Form 8-K, Global EV Technology,
23 Inc. had breached the agreement several times including:

24
25 (1)Failing to execute documents evidences an irrevocable, royalty-free,
26 worldwide exclusive license to the Technology and IP, in perpetuity to
27 MAEO, (2) refusing to conduct any tests of the technology at a Mullen
28 approved facility after the LOA, (3) repeatedly refusing to honor the terms of
the Mutual Non-Disclosure Agreement signed April 14, 2023, and (4) failing

1 to disclose all claims or threatened legal actions by any third parties related to
2 the technology.

3 16. The truth continued to emerge on July 17, 2023 when a report came out by
4 WUSA9 titled “Convicted felon gets DC contract to install car battery tech called
5 impossible by experts” (the “July 17th WUSA9 Report”). The July 17th WUSA9 Report
6 interviewed electrical engineers who stated that the purported capabilities of the
7 Company’s EMM technology were currently impossible. The July 17th WUSA9 Report
8 also detailed Hardge’s criminal past, which had not fully been disclosed to investors. In
9 addition, the July 17th WUSA9 Report stated that Washington D.C. terminated the
10 \$680,000 contract.

11 17. WUSA9 issued a follow up report on August 7, 2023, titled “WUSA9
12 investigates how DC government fell for convicted fraudster’s invention claims” (the
13 August 7th WUSA9 Report”). Hardge responded to the claims in the July 17th WUSA9
14 Report by showing off the EMM technology and its purported capabilities. However,
15 WUSA9 took the evidence shown to them to an electrical engineer who further disputed
16 Hardge’s claims about EMM’s capabilities.

17 18. The truth fully emerged on March 13, 2024 when the Company provided an
18 update on its partnership with RRDS through a press release titled “Mullen Automotive
19 Provides Timeline Update on US Government Ruling for Class 1 EV Cargo Vans” (the
20 “March 13th Press Release”). The March 13th Press Release stated that the Company
21 needed to wait for the U.S. General Services Administration (“GSA”) to make a final
22 determination on the ruling. The March 13th Press Release further stated that “Mullen and
23 RRDS are now proceeding with the GSA in order to finalize qualification of Mullen to sell
24 Class 1 EV cargo vans to all branches of the U.S. government.”

25 19. Upon information and belief, the Company has not successfully submitted the
26 necessary information for the Company to participate in or benefit from government
27 contracts with its partner RRDS. At no point has the Company been “fast-tracked” to
28 receive government contracts for large-scale vehicle fleet orders.

1 20. During the Relevant Period, the Individual Defendants breached their
2 fiduciary duties by personally making and/or causing the Company to make to the investing
3 public a series of materially false and misleading statements regarding the Company's
4 business, operations, and prospects. Specifically, the Individual Defendants willfully or
5 recklessly made and/or caused the Company to make false and misleading statements that
6 failed to disclose, *inter alia*, that: (1) the Company claimed it had an intent to implement a
7 reverse stock split in early 2023, when it had no intent to do so; (2) the Company overstated
8 its deals with its purported business partners, MAEO and RRDS; (3) the Company
9 overstated its battery technology; (4) Defendants mislead the public about future reverse
10 stock splits; (5) Defendants failed to conduct proper due diligence and disclosure regarding
11 Hardge's previous financial crimes; and (6) Defendants failed to disclose material
12 information about the Company's financing agreements, including those with Esousa
13 Holdings. As a result of the foregoing, the Company's public statements were materially
14 false and misleading and/or lacked a reasonable basis at all relevant times.

15 21. During the Relevant Period, the Individual Defendants also made a series of
16 materially false and misleading statements regarding the Company's completed and/or
17 amended financing agreements with Esousa Holdings, LLC ("Esousa Holdings"). Michael
18 Wachs ("Wachs") is the managing member of Esousa Holdings and has sole voting control
19 and investment discretion over securities beneficially owned directly by Esousa Holdings.
20 Esousa Holdings beneficially owns 9.9% of the Company's stock. At all relevant times,
21 the Individual Defendants touted Mullen's dealings with Esousa Holdings while
22 simultaneously failing to disclose material information, *inter alia*, that Wachs had pled
23 guilty in 1997 to defrauding Chase Manhattan Bank for \$20 million and, further, that
24 Wachs had received a lifetime ban from FINRA, NASD, and the board of governors of the
25 Federal Reserve.

26 22. The Individual Defendants failed to correct and/or caused the Company to fail
27 to correct these false and misleading statements and omissions of material fact, rendering
28

1 them personally liable to the Company for breaching their fiduciary duties.

2 23. Additionally, in breach of their fiduciary duties, the Individual Defendants
3 willfully or recklessly caused the Company to fail to maintain adequate internal controls
4 while four of the Individual Defendants engaged in improper insider sales, netting total
5 proceeds of *approximately \$6.6 million*.

6 24. The Company has been substantially damaged as a result of the Individual
7 Defendants' knowing or highly reckless breaches of fiduciary duty and other misconduct.

8 25. In light of the Individual Defendants' misconduct—which has subjected the
9 Company, its Chief Executive Officer ("CEO") and Chairman of the Company's Board of
10 Directors (the "Board"), and its Chief Financial Officer ("CFO") to two federal securities
11 fraud class action lawsuits pending in the United States District Court for the Central
12 District of California (the "Securities Class Actions") and which has further subjected the
13 Company to the need to undertake internal investigations, the need to implement adequate
14 internal controls, losses from the waste of corporate assets, and losses due to the unjust
15 enrichment of the Individual Defendants who were improperly overcompensated by the
16 Company and/or who benefitted from the wrongdoing alleged herein—the Company will
17 have to expend many millions of dollars.

18 26. The Company has been substantially damaged as a result of the Individual
19 Defendants' knowing or highly reckless breaches of fiduciary duty and other misconduct.

20 27. In light of the breaches of fiduciary duty engaged in by the Individual
21 Defendants, most of whom are the Company's current directors, of the collective
22 engagement in fraud and misconduct by the Company's directors, of the substantial
23 likelihood of the directors' liability in this derivative action and of Defendant Michery's
24 and New's liability in the Securities Class Actions, and of their not being disinterested
25 and/or independent directors, a majority of the Company's Board cannot consider a
26 demand to commence litigation against themselves on behalf of the Company with the
27 requisite level of disinterestedness and independence.
28

JURISDICTION AND VENUE

28. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 because Plaintiff's claims raise a federal question under Section 10(b) of the Exchange Act (15 U.S.C. § 78j(b)) and Section 21D of the Exchange Act (15 U.S.C. § 78u-4(f)) promulgated thereunder. Plaintiff's claims also raise a federal question pertaining to the claims made in the Securities Class Actions based on violations of the Exchange Act.

29. This Court has supplemental jurisdiction over Plaintiff's state law claims pursuant to 28 U.S.C. § 1367(a).

30. This derivative action is not a collusive action to confer jurisdiction on a court of the United States that it would not otherwise have.

31. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391 and 1401 because a substantial portion of the transactions and wrongs complained of herein occurred in this District, one or more of the Defendants either resides or maintains executive offices in this District, Defendants have conducted business in this District, Defendants' actions have had an effect in this District, and Mullen is headquartered in this District.

PARTIES

Plaintiff

32. Plaintiff is a current shareholder of Mullen. Plaintiff has continuously held Mullen's common stock at all relevant times.

Nominal Defendant Mullen

33. Mullen is a Delaware corporation with principal executive offices at 1405 Pioneer Street, Brea, California, 92821. Mullen's common stock trades on the Nasdaq Global Market ("NASDAQ") under the ticker symbol "MULN."

Defendant Michery

34. Defendant Michery has served as Chairman of the Board and CEO of the Company since November 2018.

35. The Schedule 14A the Company filed with the SEC on March 13, 2025 (the

“2025 Proxy Statement”) stated the following about Defendant Michery:

David Michery has served as the Chairman of the Board, President and Chief Executive Officer of the Company since the closing of the Merger in November 2021 and held those same positions at Mullen Technologies since its inception in 2018. His automotive experience began with the acquisition of Mullen Motor Company in 2012. Mr. Michery brings over 25 years within executive management, marketing, distressed assets, and business restructuring. He acquired the assets of Coda Automotive, formerly an independent EV manufacturer, through bankruptcy as an entryway into the EV business. We believe that Mr. Michery is qualified to serve as a director because of his operational and historical expertise gained from serving as our Chief Executive Officer, and his experience within various businesses, including automotive.

36. During the Relevant Period, while the Company’s stock price was artificially inflated and before the scheme was exposed, Defendant Michery made the following sales of Company common stock:

Date	Number of Shares	Avg. Price/Share (\$)	Proceeds (\$)
May 23, 2022	750,000 ¹	\$1.0145 ²	\$761,249
June 15, 2022	150,000 ³	\$1.1017 ⁴	\$165,300
June 29, 2022	350,000 ⁵	\$1.1199 ⁶	\$392,000

¹ The Form 4 filed with the SEC states: “Aggregate number of shares sold on the same date at difference prices.”

² The Form 4 filed with the SEC stated: “Represents the weighted average sales price. The shares were sold in multiple transactions at prices ranging from \$1.00 to \$1.070, inclusive, per share.”

³ The Form 4 filed with the SEC states: “Aggregate number of shares sold on the same date at difference prices.”

⁴ The Form 4 filed with the SEC states: “Represents the weighted average sales price. The shares were sold in multiple transactions at prices ranging from \$1.08 to \$1.14, inclusive, per share.”

⁵ The Form 4 filed with the SEC states: “Aggregate number of shares sold on the same date at difference prices.”

⁶ The Form 4 filed with the SEC states: “Represents the weighted average sales price. The shares were sold in multiple transactions at prices ranging from \$1.11 to \$1.250,

September 22, 2022	750,000 ⁷	\$0.3965 ⁸	\$297,750
February 16, 2023	14,937,660 ⁹	\$0.3164 ¹⁰	\$4,720,300

Thus, in total, before the fraud was exposed, Defendant Michery sold 16,937,660 shares of Company stock on inside information, for which he received approximately \$6.3 million in total proceeds. His insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate his motive in facilitating and participating in the scheme.

Defendant New

37. Defendant New has served as the Company's CFO since September 19, 2022. Defendant New also served as CFO of the Company's predecessor, Net Elements, Inc.

38. The 2025 Proxy Statement stated the following about Defendant New:

Jonathan New was appointed by the Board as Chief Financial Officer of the Company, effective September 19, 2022. He served as a director of the Company from November 2021 until September 19, 2022. From January 2020 until September 2022, Mr. New served as the Chief Financial Officer of Motorsport Games, Inc. (NASDAQ: MSGM), a racing game developer, publisher and esports ecosystem provider. Previously, from July 2018 to January 2020, Mr. New was Chief Financial Officer of Blink Charging Co (NASDAQ: BLNK), an owner, operator and provider of electric vehicle charging equipment and networked electric vehicle charging services, and, from 2008 to July 2018, he was Chief Financial Officer of Net Element, Inc., a global technology and value-added solutions group that supports

inclusive, per share."

⁷ The Form 4 filed with the SEC states: "Aggregate number of shares sold on the same date at difference prices."

⁸ The Form 4 filed with the SEC states: "Represents the weighted average sales price. The shares were sold in multiple transactions at prices ranging from \$0.39 to \$0.41, inclusive, per share."

⁹ The Form 4 filed with the SEC states: "Aggregate number of shares sold on the same date at difference prices."

¹⁰ The Form 4 filed with the SEC states: Represents the weighted average sales price. The shares were sold in multiple transactions at prices ranging from \$0.2967 to \$0.3389, inclusive, per share."

electronic payments acceptance in a multi-channel environment. Mr. New is a Florida Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

Defendant Andersen

39. Defendant Andersen has served as a Company director since September 2022. He also serves as a member of the Compensation Committee and as a member of the Audit Committee.

40. The 2025 Proxy Statement stated the following about Defendant Andersen:

John Andersen has served as director of the Company since September 2022. Mr. Andersen owned and operated various businesses since 1972, concentrating on real estate investment and management, primarily of multi-family residential units along with commercial sales and leases, in California, Utah and Wyoming, since 1980. From 1986 to 1996, Mr. Andersen was a partner in a large real estate company with over 300 sales agents and an escrow company, loan company and other real estate services. Since 2013, he has been a director and officer of Eminence Escrow, Inc. and, since 2015, he has owned and operated DNJ Investments, Inc., both of which provide escrow services. We believe that Mr. Andersen is qualified to serve as a director because of his extensive and in-depth experience in operating and growing businesses.

41. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Andersen made the following sales of Company common stock:

Date	Number of Shares	Avg. Price/Share (\$)	Proceeds (\$)
October 20, 2023 ¹¹	287,437	\$0.3437 ¹²	\$98,878

¹¹ The Form 4 filed with the SEC states: "Except as indicated in footnote 3, share amounts and price do not reflect reverse stock splits subsequent to date of sale. Shares held following transaction reflect amount as of such date."

¹² The Form 4 filed with the SEC states: "The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$0.36 to \$0.3436 (on a pre-split basis), inclusive. The reporting person undertakes to provide to the issuer, any security holder of the issuer, or the staff of the Securities and Exchange

January 26, 2024	13,334	\$6.7738	\$90,324
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Thus, in total, before the fraud was exposed, Defendant Andersen sold 300,771 shares of Company stock on inside information, for which he received approximately \$189,202 in total proceeds. His insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate his motive in facilitating and participating in the scheme.

Defendant Betor

42. Defendant Betor has served as a Company director since November 2021. He also serves as a member of the Audit Committee and Compensation Committee and as Chair of the Nominating & Governance Committee.

43. The 2025 Proxy Statement stated the following about Defendant Betor:

Mark Betor has served as a director of the Company since November 2021 and a director of Mullen Technologies since 2018. Mr. Betor has also served as a director of DRIVEiT since January 2024. Mr. Betor is a retired businessman and law enforcement officer. Since retirement, he has been involved with real estate investments and private business. We believe that Mr. Betor is qualified to serve as a director because of his vast experience within investments and private businesses.

Defendant Miltner

44. Defendant Miltner has served as a Company director since November 2021.

45. The 2025 Proxy Statement stated the following about Defendant Miltner:

William Miltner has served as a director of the Company since the closing of the Merger. He has served as a litigation attorney for over 30 years. He is the co-founder of Miltner & Menck, APC, a full-service law firm, in San Diego, CA. Mr. Miltner successfully co-founded and co-managed the law firm of Perkins & Miltner, LLP, a respected San Diego litigation firm for 13 years. In 2006, when co-founder David Perkins left the practice of law, Miltner Law Group, APC, was founded. Mr. Miltner has represented many publicly traded and private companies including residential developers, construction

Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnote 2 to this Form 4."

1 contractors, title insurance companies and banking and lending institutions.
2 His substantial experience includes representing and defending clients in
3 complex real property, general business, construction, title insurance and
4 lender litigation and transactional matters. Mr. Miltner is member of the
5 American and San Diego County Bar Associations and American Business
6 Trial Lawyers Association. He was admitted to The State Bar of California in
7 1988. We believe that Mr. Miltner is qualified to serve as a director because
8 of his knowledge and experience within law practice areas and litigation
9 matters.

10 **Defendant Novoa**

11 46. Defendant Novoa has served as a Company director since July 2022.

12 47. The 2025 Proxy Statement stated the following about Defendant Novoa:

13 *Ignacio Novoa* has served as a director of the Company since July 2022.
14 Mr. Novoa has been a realtor at Las Lomas Realty since January 2015. Prior
15 to that, from August 2008 to March 2021, Mr. Nova served as police officer
16 with the Federal Reserve Police and, from September 2008 to March 2013, as
17 program security at Northrup Grumman. Mr. Novoa has also served as a
18 director of DRIVEiT since January 2024. We believe that Mr. Novoa is
19 qualified to serve as a director because of his experience in managing real
20 estate.

21 **Defendant Puckett**

22 48. Defendant Puckett has served as a Company director since November 2021.
23 He also serves as the Chairperson of the Compensation Committee and Audit Committee
24 and is a member of the Nominating & Governance Committee.

25 49. The 2025 Proxy Statement stated the following about Defendant Puckett:

26 *Kent Puckett* has served as a director of the Company since November 2021
27 and has served on the board of Mullen Technologies since 2018. Previously,
28 Mr. Puckett served as the Chief Financial Officer of Mullen Technologies
from 2012 to 2018. Mr. Puckett has also served as a director of DRIVEiT
since January 2024. Mr. Puckett has many years of experience as a CFO with
a proven track record of establishing cross-functional partnerships to deliver
stellar results. He has led many companies in their audit and disclosure
requirements, creating operations, marketing, and sales division budgets of
multi-million dollars, and being accountable for the allocation of resources to
exceed profit and sales goals. Mr. Puckett has a B.S. in Business

Administration from Pensacola Christian College, and Advanced Studies in Management, Finance, Compliance, Insurance, Financial Consulting, Taxation and Financial Reporting, with an emphasis on Public Companies reporting and audit requirements. We believe that Mr. Puckett is qualified to serve as a director because of his finance and accounting background and experience.

50. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Puckett made the following sale of Company common stock:

Date	Number of Shares	Avg. Price/Share (\$)	Proceeds (\$)
December 15, 2022	100,000	\$0.33	\$33,000

Thus, in total, before the fraud was exposed, Defendant Puckett sold 100,000 shares of Company stock on inside information, for which he received approximately \$33,000 in total proceeds. His insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate his motive in facilitating and participating in the scheme.

Defendant Winter

51. Defendant Winter has served as a Company director since November 2021. She also serves as the Company's Secretary and as a member of the Nominating & Governance Committee.

52. The 2025 Proxy Statement stated the following about Defendant Winter:

Mary Winter has served as director of the Company since November 2021 and has been a director of Mullen Technologies since 2018. Ms. Winter has been an integral part of Mullen since inception. She currently serves as the Secretary of the Company and Board of Directors. Formerly, she was the Vice President of Operations for Mullen Technologies since 2014. We believe that Ms. Winter is qualified to serve as a director because of her business and operational knowledge of Mullen.

53. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Winter made the following sales of Company common stock:

Date	Number of Shares	Avg. Price/ Share (\$)	Proceeds (\$)
October 20, 2023 ¹³	556	\$33.9	\$18,848.40
January 25, 2024 ¹⁴	13,334	\$6.78	\$90,174

Thus, in total, before the fraud was exposed, Defendant Winter sold 13,890 shares of Company stock on inside information, for which she received approximately \$109,022 in total proceeds. Her insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate her motive in facilitating and participating in the scheme.

FIDUCIARY DUTIES OF THE INDIVIDUAL DEFENDANTS

54. By reason of their positions as officers, directors, and/or fiduciaries of Mullen and because of their ability to control the business and corporate affairs of Mullen, the Individual Defendants owed Mullen and its shareholders fiduciary obligations of trust, loyalty, good faith, and due care, and were and are required to use their utmost ability to control and manage Mullen in a fair, just, honest, and equitable manner. The Individual Defendants were and are required to act in furtherance of the best interests of Mullen and its shareholders so as to benefit all shareholders equally.

55. Each director and officer of the Company owes to Mullen and its shareholders

¹³ The Form 4 filed with the SEC stated: "Shares amounts and price give effect to 1:100 reverse stock split effected on December 21, 2023 and to 1:100 reverse stock split effected on September 17, 2024. Without giving effect to the reverse stock splits, amount sold was 55,555 shares at \$0.339."

¹⁴ The Form 4 filed with the SEC stated: ". Shares amounts and price give effect to 1:100 reverse stock split effected on September 17, 2024. Without giving effect to the reverse stock split, amount sold was 13,334 shares at \$6.78."

1 the fiduciary duty to exercise good faith and diligence in the administration of the Company
2 and in the use and preservation of its property and assets and the highest obligations of fair
3 dealing.

4 56. The Individual Defendants, because of their positions of control and authority
5 as directors and/or officers of Mullen, were able to and did, directly and/or indirectly,
6 exercise control over the wrongful acts complained of herein.

7 57. To discharge their duties, the officers and directors of Mullen were required
8 to exercise reasonable and prudent supervision over the management, policies, controls,
9 and operations of the Company.

10 58. Each Individual Defendant, by virtue of their position as a director and/or
11 officer, owed to the Company and to its shareholders the highest fiduciary duties of loyalty,
12 good faith, and the exercise of due care and diligence in the management and
13 administration of the affairs of the Company, as well as in the use and preservation of its
14 property and assets. The conduct of the Individual Defendants complained of herein
15 involves a knowing and culpable violation of their obligations as directors and officers of
16 Mullen, the absence of good faith on their part, or a reckless disregard for their duties to
17 the Company and its shareholders that the Individual Defendants were aware or should
18 have been aware posed a risk of serious injury to the Company. The conduct of the
19 Individual Defendants who were also the officers and directors of the Company has been
20 ratified by the remaining Individual Defendants who collectively comprised the
21 Company's Board at all relevant times.

22 59. As senior executive officers and/or directors of a publicly-traded company
23 whose common stock was registered with the SEC pursuant to the Exchange Act and traded
24 on the NASDAQ, the Individual Defendants had a duty to prevent and not to effect the
25 dissemination of inaccurate and untruthful information with respect to the Company's
26 financial condition, performance, growth, operations, financial statements, business,
27 products, management, earnings, internal controls, and present and future business
28

1 prospects, including the dissemination of false information regarding the Company's
2 business, prospects, and operations, and had a duty to cause the Company to disclose in its
3 regulatory filings with the SEC all those facts described in this complaint that it failed to
4 disclose, so that the market price of the Company's common stock would be based upon
5 truthful and accurate information. Further, they had a duty to ensure the Company remained
6 in compliance with all applicable laws.

7 60. To discharge their duties, the officers and directors of the Company were
8 required to exercise reasonable and prudent supervision over the management, policies,
9 practices, and internal controls of the Company. By virtue of such duties, the officers and
10 directors of Mullen were required to, among other things:

11 (a) ensure that the Company was operated in a diligent, honest, and prudent
12 manner in accordance with the laws and regulations of Delaware, California, and the
13 United States, and pursuant to Mullen's corporate governance and applicable business
14 practice standards;

15 (b) conduct the affairs of the Company in an efficient, business-like manner
16 so as to make it possible to provide the highest quality performance of its business, to avoid
17 wasting the Company's assets, and to maximize the value of the Company's stock;

18 (c) remain informed as to how Mullen conducted its operations, and, upon
19 receipt of notice or information of imprudent or unsound conditions or practices, to make
20 reasonable inquiry in connection therewith, and to take steps to correct such conditions or
21 practices;

22 (d) establish and maintain systematic and accurate records and reports of
23 the business and internal affairs of Mullen and procedures for the reporting of the business
24 and internal affairs to the Board and to periodically investigate, or cause independent
25 investigation to be made of, said reports and records;

26 (e) maintain and implement an adequate and functioning system of internal
27 legal, financial, and management controls, such that Mullen's operations would comply
28

1 with all applicable laws and Mullen's financial statements and regulatory filings filed with
2 the SEC and disseminated to the public and the Company's shareholders would be
3 accurate;

4 (f) exercise reasonable control and supervision over the public statements
5 made by the Company's officers and employees and any other reports or information that
6 the Company was required by law to disseminate;

7 (g) refrain from unduly benefiting themselves and other Company insiders
8 at the expense of the Company; and

9 (h) examine and evaluate any reports of examinations, audits, or other
10 financial information concerning the financial affairs of the Company and to make full and
11 accurate disclosure of all material facts concerning, *inter alia*, each of the subjects and
12 duties set forth above.

13 61. Each of the Individual Defendants further owed to Mullen and its shareholders
14 the duty of loyalty requiring that each favor Mullen's interest and that of its shareholders
15 over their own while conducting the affairs of the Company and refrain from using their
16 position, influence or knowledge of the affairs of the Company to gain personal advantage.

17 62. At all times relevant hereto, the Individual Defendants were the agents of each
18 other and of Mullen and were at all times acting within the course and scope of such agency.

19 63. Because of their advisory, executive, managerial, directorial, and controlling
20 positions with Mullen, each of the Individual Defendants had access to adverse, nonpublic
21 information about the Company.

22 64. The Individual Defendants, because of their positions of control and authority,
23 were able to and did, directly or indirectly, exercise control over the wrongful acts
24 complained of herein, as well as the contents of the various public statements issued by
25 Mullen.

26 **CONSPIRACY, AIDING AND ABETTING, AND CONCERTED ACTION**

27 65. In committing the wrongful acts alleged herein, the Individual Defendants
28

1 have pursued, or joined in the pursuit of, a common course of conduct, and have acted in
2 concert with and conspired with one another in furtherance of their wrongdoing. The
3 Individual Defendants caused the Company to conceal the true facts as alleged herein. The
4 Individual Defendants further aided and abetted and/or assisted each other in breaching
5 their respective duties.

6 66. The purpose and effect of the conspiracy, common enterprise, and/or common
7 course of conduct was, among other things, to: (i) facilitate and disguise the Individual
8 Defendants' violations of law, including breaches of fiduciary duty, unjust enrichment,
9 waste of corporate assets, gross mismanagement, abuse of control, and violations of the
10 Exchange Act; (ii) conceal adverse information concerning the Company's operations,
11 financial condition, legal compliance, future business prospects, and internal controls; and
12 (iii) artificially inflate the Company's stock price.

13 67. The Individual Defendants accomplished their conspiracy, common
14 enterprise, and/or common course of conduct by causing the Company purposefully or
15 recklessly to conceal material facts, fail to correct such misrepresentations, and violate
16 applicable laws. In furtherance of this plan, conspiracy, and course of conduct, the
17 Individual Defendants collectively and individually took the actions set forth herein.
18 Because the actions described herein occurred under the authority of the Board, each of the
19 Individual Defendants who is a director of Mullen was a direct, necessary, and substantial
20 participant in the conspiracy, common enterprise, and/or common course of conduct
21 complained of herein.

22 68. Each of the Individual Defendants aided and abetted and rendered substantial
23 assistance in the wrongs complained of herein. In taking such actions to substantially assist
24 the commission of the wrongdoing complained of herein, each of the Individual Defendants
25 acted with actual or constructive knowledge of the primary wrongdoing, either took direct
26 part in, or substantially assisted in the accomplishment of that wrongdoing, and was or
27 should have been aware of his or her overall contribution to and furtherance of the
28

1 wrongdoing.

2 69. At all relevant times hereto, each of the Individual Defendants was the agent
3 of each of the other Individual Defendants and of Mullen and was at all times acting within
4 the course and scope of such agency.

5 **MULLEN’S CODE OF ETHICS AND EMPLOYEE CONDUCT**

6 70. Mullen’s Code of Ethics and Employee Conduct (the “Code of Ethics”) states
7 that it “set[s] expectations and provide[s] guidance applicable to all members of the
8 Company’s Board of Directors (the ‘directors’) and officers, employees, independent
9 contractors, and consultants of the Company (all for such purposes of this Code,
10 ‘employees’).”

11 71. In the section “Insider Trading,” the Code of Ethics states:

12
13 Every employee is prohibited from using “inside” or material nonpublic
14 information about the Company, or about companies with which the Company
15 does business, in connection with buying or selling the Company’s or such
16 other companies’ securities, including “tipping” others who might make an
17 investment decision based on this information. It is illegal, and it is a violation
18 of this Code. Employees who have access to inside information are not
19 permitted to use or share that inside information for stock trading purposes or
for any other purpose except to conduct Company business. Employees must
exercise the utmost care when in possession of material nonpublic
information.

20 72. In the section “Amendment and Waiver,” the Code of Ethics states:

21
22 Any amendment or waiver of this Code must be in writing and must be
23 authorized by most of the members of the Board or, to the extent permissible
24 under applicable laws, rules and regulations, a committee of the Board if the
25 Board has delegated such authority to a committee. The Company will notify
26 employees of any material changes to this Code. Any such amendment or
waiver may be publicly disclosed if required by applicable laws, rules and
regulations.

27 73. In the section “Financial Integrity; Public Reporting,” the Code of Ethics
28

1 states, in relevant part:

2
3 The Company strives to maintain integrity of the Company's records and
4 public disclosure. The Company's corporate and business records, including
5 all supporting entries to the Company's books of account, must be completed
6 honestly, accurately, and understandably. The Company's records are
7 important to investors and creditors. They serve as a basis for managing the
8 Company's business and are important in meeting the Company's obligations
9 to business partners, suppliers, vendors, creditors, employees, and others with
10 whom the Company does business. The Company depends on the books,
11 records and accounts accurately and fairly reflecting, in reasonable detail, the
12 Company's assets, liabilities, revenues, costs and expenses, as well as all
13 transactions and changes in assets and liabilities.

14 To help ensure the integrity of the Company's records and public disclosure,
15 the Company requires that:

- 16 • no entry be made in the Company's books and records that is intentionally
17 false or misleading.
- 18 • transactions be supported by appropriate documentation.
- 19 • the terms of sales and other commercial transactions be reflected accurately
20 in the documentation for those transactions and all such documentation be
21 reflected accurately in the Company's books and records.
- 22 • employees comply with the Company's system of internal controls and be
23 held accountable for their entries.
- 24 • any off-balance sheet arrangements of the Company are clearly and
25 appropriately disclosed.
- 26 • employees work cooperatively with the Company's independent auditors in
27 their review of the Company's financial statements and disclosure documents.
- 28 • no cash or other assets be maintained for any purpose in any unrecorded or
"off-the-books" fund; and
- records be retained or destroyed according to the Company's document
retention policies or procedures then in effect.

24 The Company's disclosure controls and procedures are designed to help
25 ensure that the Company's reports and documents filed with or submitted to
26 the U.S. Securities and Exchange Commission (the "SEC") and other public
27 disclosures are complete, fair, accurate, fairly present the Company's
28 financial condition and results of operations and are timely and
understandable. Employees who collect, provide, or analyze information for
or otherwise contribute in any way in preparing or verifying these reports

1 should be familiar with and adhere to all disclosure controls and procedures
2 and generally assist the Company in producing financial disclosures that
3 contain all the information about the Company that is required by law and
4 would be important to enable investors to understand the Company's business
and its attendant risks. These controls and procedures include, but are not
limited to, the following:

5 • no employee may take or authorize any action that would cause the
6 Company's financial records
or financial disclosure to fail to comply with generally accepted accounting
7 principles, the rules, and regulations of the SEC or other applicable laws, rules
8 and regulations.

9 • all employees must cooperate fully with the Company's finance department,
as well as the Company's independent auditors and legal counsel, respond to
10 their questions with candor and provide them with complete and accurate
information to help ensure that the Company's books and records, as well as
11 its reports filed with the SEC, are accurate and complete; and

12 • no employee should knowingly make (or cause or encourage any other
person to make) any false or misleading statement in any of the Company's
13 reports filed with the SEC or knowingly omit (or cause or encourage any other
person to omit) any information necessary to make the disclosure in any of
14 such reports accurate in all material respects.

15 • In connection with the preparation of the financial and other disclosures that
the Company makes to the public, including by press release or filing a
16 document with the SEC, directors must, in addition to complying with all
applicable laws, rules and regulations, follow these guidelines:

17 • act honestly, ethically, and with integrity.

18 • comply with this Code.

19 • endeavor to ensure complete, fair, accurate, timely and understandable
20 disclosure in the Company's filings with the SEC.

21 • raise questions and concerns regarding the Company's public disclosures
when necessary and ensure that such questions and concerns are appropriately
22 addressed.

23 • act in good faith in accordance with the director's business judgment,
without misrepresenting material facts or allowing independent judgment to
24 be subordinated by others; and

25 • comply with the Company's disclosure controls and procedures and internal
controls over financial reporting.

26
27 If an employee becomes aware that the Company's public disclosures are not
28 complete, fair and accurate, or if an employee becomes aware of a transaction

1 or development that the employee believes may require disclosure, the
2 employee should report the matter immediately.

3 74. In the section “Legal Compliance,” the Code of Ethics states:

4 All employees must always obey the law while performing their duties to the
5 Company. The Company’s success depends upon each employee operating
6 within legal guidelines and cooperating with authorities. It is essential that all
7 employees know and understand the legal and regulatory requirements that
8 apply to the Company’s business and to their specific area of responsibility.
9 While an employee is not expected to have complete mastery of these laws,
10 rules and regulations, employees are expected to be able to recognize
11 situations that require consultation with others to determine the appropriate
12 course of action. See Section 18 (Compliance Standards and Procedures) for
13 a description of whom to contact with questions about legal compliance.

14 75. In the section “Protection and Proper Use of Company Assets,” the Code of
15 Ethics states:

16 All employees are expected to protect the Company’s assets and ensure their
17 efficient use for legitimate business purposes. Theft, carelessness, and waste
18 have a direct impact on the Company’s business and operating results.
19 Company property, such as computer equipment, buildings, furniture and
20 furnishings, office supplies, products, and inventories, should be used only for
21 activities related to an employee’s employment, although incidental personal
22 use is permitted. The Company retains the right to access, review, monitor
23 and disclose any information transmitted, received, or stored using the
24 Company’s electronic equipment, with or without an employee’s or third
25 party’s knowledge, consent or approval. Any theft, misuse or suspected theft
26 or misuse of the Company’s assets that becomes known to an employee must
27 be immediately reported.

28 76. In the section “Administration Of This Code,” the Code of Ethics states:

The Audit Committee is responsible for reviewing this Code as set forth in the
Audit Committee’s charter and overseeing the establishment of procedures for
the prompt internal reporting of violations of this Code. It may request reports
from the Company’s executive officers about the implementation of this Code
and may take any steps in connection with the implementation of this Code as
it deems necessary, subject to the limitations set forth in this Code. The Audit

1 Committee will have the authority to review and assess this Code and
2 recommend revisions for approval by the Board. The Company will notify
3 directors of any material changes to this Code.

4 77. In the section "Responsibility for the Investigation," the Code of Ethics states:

5 The Board is ultimately responsible for the investigation and resolution of all
6 suspected or actual violations of this Code. Alleged violations of this Code
7 will be investigated by the Audit Committee and may result in discipline and
8 other action at the discretion of the Board upon recommendation of the Audit
9 Committee, including, where appropriate, removal from the Board. The Board
10 and the Audit Committee will conduct their investigations with the highest
11 degree of confidentiality that is possible under the specific circumstances. The
12 Audit Chair, the Audit Committee or the General Counsel may consult with
13 other members of the Board and outside counsel as appropriate.

14 78. In violation of the Code of Ethics, the Individual Defendants conducted little,
15 if any, oversight of the Individual Defendants' scheme to issue materially false and
16 misleading statements to the public and to facilitate and disguise the Individual
17 Defendants' violations of law, including but not limited to, breaches of fiduciary duty,
18 abuse of control, gross mismanagement, waste of corporate assets, violations of the
19 Exchange Act, and unjust enrichment, including four Individual Defendants who sold
20 Company stock on inside information. Also, in violation of the Code of Ethics, the
21 Individual Defendants failed to maintain the accuracy of Mullen's records and reports,
22 failed to maintain internal controls, and failed to comply with laws and regulations, conduct
23 business in an honest and ethical manner, and properly report violations of the Code of
24 Ethics.

25 **MULLEN'S AUDIT COMMITTEE CHARTER**

26 79. The Company also maintains an Audit Committee Charter (the "Audit
27 Committee Charter"). The Audit Committee Charter states that the purpose of the Audit
28 Committee is as follows:

The purpose of the Audit Committee of the Board of Directors (the "Board")
of Mullen Automotive, Inc., (the "Company") shall be to:

1. Provide oversight of the Company's accounting and financial reporting processes and the audit of the Company's financial statements.
2. Assist the Board in oversight of
 - a. the integrity of the Company's financial statements,
 - b. the Company's compliance with legal and regulatory requirements,
 - c. the independent auditor's qualifications, independence, and performance,
 - d. the organization and performance of the Company's internal audit function,
 - e. the Company's internal accounting and financial controls,
 - f. the Company's treasury and finance matters, and
 - g. the Company's risk management, including data privacy and security
3. Provide to the Board such information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board.

In furtherance of these purposes, the Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

1. The Audit Committee's responsibility is one of oversight. The members of the Audit Committee are not employees of the Company, and they do not perform, or represent that they perform, the functions of management or the independent auditors.

2. The Audit Committee relies on the expertise and knowledge of management, the internal auditor, and the independent registered accounting firm in carrying out its oversight responsibilities. The management of the Company is responsible for preparing accurate and complete financial statements in accordance with generally accepted accounting principles and for establishing and maintaining appropriate accounting principles and financial reporting policies and satisfactory internal control over financial reporting.

3. The independent registered accounting firm is responsible for auditing the Company's annual consolidated financial statements and the effectiveness of the Company's internal control over financial reporting and reviewing the Company's quarterly financial statements.

4. It is not the responsibility of the Audit Committee to prepare or certify the Company's financial statements or guarantee the audits or reports of the independent auditors, nor is it the duty of the Audit Committee to certify that the independent auditor is "independent" under applicable rules. These are the fundamental responsibilities of management and the independent auditors.

1 80. In the section “Responsibilities, Duties and Powers” under the subheading
2 “Review Procedures,” the Audit Committee Charter states the responsibilities of the Audit
3 Committee as:

4
5 1. Reviewing the reports of management, internal audit and the independent
6 auditors concerning the design, implementation and maintenance of the
7 Company's internal controls and procedures for financial reporting, including
8 meeting periodically with the Company's management, internal audit and the
9 independent auditors to review their assessment of the adequacy of such
10 controls and to review before release the disclosure regarding such system of
11 internal controls required under SEC rules to be contained in the Company's
12 periodic filings and the attestations or reports by the independent auditors
13 relating to such disclosure.

14 2. Reviewing and providing oversight of the external audit by: reviewing the
15 independent auditors' proposed audit scope and approach.

16 discussing with the Company's independent auditors the financial statements
17 and audit findings, including any significant adjustments, management
18 judgments and accounting estimates, significant new accounting policies,
19 disagreements with management and any other required communications
20 described in applicable accounting standards.

21 reviewing with the independent auditors the Company's critical accounting
22 policies and practices, alternative treatments of financial information within
23 generally accepted accounting principles that have been discussed with
24 management and the treatment recommended by the independent auditors,
25 and other material written communications between the independent auditors
26 and management.

27 reviewing reports submitted to the audit committee by the independent
28 auditors in accordance with applicable SEC requirements.

 3. Reviewing and approving the annual internal audit project plan and any
proposed changes and reviewing periodic reports summarizing results of the
internal audit projects.

 4. Reviewing and discussing with management earnings releases (with
particular attention to any use of “pro forma” or “adjusted” non-GAAP
information), financial information and earnings guidance provided to the
public, analysts and ratings agencies.

 5. Reviewing and discussing with management and the independent auditors
the annual audited financial statements and quarterly unaudited financial
statements, including the Company's disclosures under "Management's
Discussion and Analysis of Financial Condition and Results of Operations,"

1 prior to filing the Company's Annual Report on Form 10-K and Quarterly
2 Reports on Form 10-Q, respectively, with the SEC.

3 6. Recommending to the Board, if deemed appropriate, that the audited
4 financial statements be included in the Company's Annual Report on Form
5 10-K, in accordance with the rules and regulations of the SEC.

6 7. Directing the Company's independent auditors to review before filing with
7 the SEC the Company's interim financial statements included in Quarterly
8 Reports on Form 10-Q, using professional standards and procedures for
9 conducting such reviews.

10 8. Conducting a post-audit review of the financial statements and audit
11 findings, including any suggestions for improvements provided to
12 management by internal audit or the independent auditors, and management's
13 response to such suggestions.

14 9. Reviewing, prior to announcement, Company press releases and other
15 disclosures containing financial information for the purpose of ensuring that
16 such press releases and other disclosures properly disclose financial
17 information presented in accordance with GAAP and, to the extent non-
18 GAAP information is included, adequately disclose how such non-GAAP
19 information differs from the comparable GAAP information and ensure that
20 disclosure of such non-GAAP information is not given undue prominence and
21 that such non-GAAP information does not provide a misleading presentation
22 of the Company's results of operations or financial condition.

23 10. Discussing guidelines and policies with respect to risk assessment and risk
24 management with the Company's management and overseeing financial risk
25 exposures, including monitoring the Company's financial condition and
26 investments, the integrity of the Company's financial statements, accounting
27 matters, internal controls over financial reporting, the independence of the
28 Company's independent auditor, and guidelines and policies with respect to
risk assessment and risk management.

11 11. Overseeing the Company's annual enterprise business risk assessment,
12 which is conducted by the internal audit function and which includes review
13 of the primary risks facing the Company and the Company's associated risk
14 mitigation measures.

15 12. Reviewing and approving in advance when possible, or ratifying as soon
16 as reasonably practicable, any related person transactions.

17 13. Reviewing, in conjunction with counsel, any legal matters that could have
18 a significant impact on the Company's financial statements.

19 14. Reviewing insurance coverage.

20 15. Investigating, or authorizing on its behalf an investigation of, any matter
21 relating to any purpose, responsibility, duty, or power of the Audit Committee

1 set forth in this charter or applicable law, or delegated to the Audit Committee
2 by the Board, and obtaining unrestricted access to the Company's books,
3 records and employees in furtherance of any such investigation.

4 16. Reviewing its own charter and processes on an annual basis

5 81. In the same section, under the subheading "Regulatory Compliance and Other
6 Matters," the Audit Committee Charter states the responsibilities of the Audit Committee
7 as:

8 1. Overseeing compliance with the requirements of the SEC for disclosure
9 of auditor's services and audit committee members, member qualifications
10 and activities.

11 2. Reviewing management's monitoring of compliance with the US
12 Foreign Corrupt Practices Act and any other similar applicable regulations.

13 3. Providing a report for inclusion in the Company's proxy statement in
14 accordance with the rules and regulations of the SEC.

15 4. Establishing procedures for receiving, retaining and treating complaints
16 received by the Company regarding accounting, internal accounting controls
17 or auditing matters and procedures for the confidential, anonymous
18 submission by employees of concerns regarding questionable accounting or
19 auditing matters.

20 5. Reviewing and discussing with management the overall adequacy and
21 effectiveness of the Company's legal, regulatory and ethical compliance
22 programs.

23 82. In violation of the Audit Committee Charter, the Individual Defendants
24 conducted little, if any, oversight of the Company's engagement in the Individual
25 Defendants' scheme to issue materially false and misleading statements to the public and
26 to facilitate and disguise the Individual Defendants' violations of law, including breaches
27 of fiduciary duty, unjust enrichment, gross mismanagement, abuse of control, waste of
28 corporate assets, and violations of the Exchange Act. Moreover, in violation of the Audit
Committee Charter, the Individual Defendants failed to maintain the accuracy of the
Company records and reports, comply with laws and regulations, act in good faith and
diligence without misstating, misrepresenting, or omitting material facts, and properly
report violations of the Audit Committee Charter.

INDIVIDUAL DEFENDANTS' MISCONDUCT

Background

83. Mullen is an automotive company focused on producing EVs by working with partners with the aim of offering luxury SUVs, sports cars, cargo vans, and solid-state batteries.

84. Since the Company's beginnings, Mullen and its officers and directors have repeatedly misled investors with respect to the efficacy of the Company's products and Mullen's growth potential.

85. For example, Mullen planned on releasing an EV called the DragonFly K50 in 2021, but the DragonFly K50 was actually just a rebranded Qiantu K50. The Qiantu K50 was a luxury sedan EV manufactured by Qiantu out of China in 2015. Mullen and Qiantu announced an agreement for Mullen to release the DragonFly K50 in North America in December of 2018. However, Mullen immediately defaulted on its payment obligations to Qiantu, leading to the termination of the agreement in November 2019. Even after the termination of the agreement, Mullen continued to market the DragonFly K50, renamed as the Mullen K50, on the Company's social media.

86. Investors began to question Mullen after Hindenburg Research published a scathing report on the Company. On April 6, 2022, Hindenburg Research published a report titled "Mullen Automotive: Yes Another Fast Talking EV Hustle" (the "Hindenburg Report"). The Hindenburg Report first alleged that the Company had falsified reports of tests done on the Company's solid-state batteries. In 2020, the Company announced a joint venture with NextMetals Ltd. to manufacture solid-state batteries. However, the Hindenburg Report revealed that no joint venture ever existed, stating in an interview with a senior executive at NextMetals:

"It didn't exist at all [the joint venture]. Not a single piece of paper. And he proudly goes and shows the Tweet—and about that time was when [the Nextmetals representatives] did get up and walk out. And [they] said, you know, 'you're nothing but a hustler. You have no substance'..."

1 87. The Hindenburg Report detailed that senior executives at NextMetals believed
2 Mullen's vehicles were a "joke":
3

4 And then of course they had a mockup car which had regular batteries in it
5 and was the copy of some car. It was a Chinese sports thing he brought over
6 and dropped some batteries in. A kind of plastic thing. I thought you're
kidding me, this is a joke."

7 "They flew in...some typical New York promoters, between New York and
8 Florida...They got extremely nasty and belligerent that [they] didn't need to
9 see the contract and they needed \$5 million immediately."

10 88. The Hindenburg Report also refuted the test results of the Company's
11 batteries. In an interview with the CEO of the company that purportedly verified the results
12 of the Company's batteries, the CEO stated the following in regard to the Company's
13 claims about the test results:

14 *"No we would never have said that. We never did say it and certainly*
15 *wouldn't have said it based on the results of testing that battery...*but the
16 timing is a little off. EV Grid more or less ceased operations by June or July
17 of 2020 and for the first half of the year it was basically shut down and I was
18 moving out storing stuff in a warehouse because I had this other job at Indi
EV. So that makes me think that *whatever testing we did probably was in*
2019 or even 2018. That's my timeline as I recall it."

19 89. The Hindenburg Report also contained interviews with Mullen's current
20 battery partner who stated that they were only in the prototype phase of their solid-state
21 battery.

22 90. The Hindenburg Report also refuted the Company's claims that the Company
23 would be manufacturing and assembling its vehicles in the United States. Indeed, the
24 Hindenburg Report stated that the Company imported a single model of two Chinese EVs
25 that look nearly identical to Mullen's Class 1 and Class 2 vehicles.

26 91. The Hindenburg Report also cast doubts on the Company's ability to begin
27 imminent manufacturing the Class 1 and Class 2 vehicles. It was revealed in the
28

1 Hindenburg Report that the Company still did not have compulsory EPA certifications
2 which take at least a year to attain.

3 92. The Company stated it had entered a deal with a Fortune 500 company to
4 provide \$60 million worth of vehicles. However, the Hindenburg Report revealed that this
5 “Fortune 500 Company” was actually a small cannabis dispensary with one location in a
6 strip mall and a drop-ship location.

7 93. The Hindenburg Report questioned the capabilities of the Company’s newest
8 manufacturing facility. The Company stated that its Mississippi manufacturing facility
9 contained only \$3.4 million in value; however the Company stated that the facility was
10 “fully tooled with state-of-the-art equipment and machinery.”

11 94. The Hindenburg Report also disclosed the following, in relevant part:

12
13 • The company’s stock has spiked ~316% in the past couple of months driven
14 by retail investor euphoria over bold claims of ground-breaking technology,
15 near term production of its EV vans, and a major as-yet-unnamed Fortune 500
customer.

16 • Despite only spending ~\$3 million in R&D in 2021, Mullen claims its solid-
17 state battery technology is on track for commercialization in 18 to 24 months,
18 putting it head of every major technology and automaker in the industry who
have collectively invested billions on solving the problem.

19 • Mullen recently press released an update on its battery testing, sending its
20 stock soaring 145% in a day. In reality, the “news” appears to be a rehash of
21 testing the company had already announced in 2020.

22 • Mullen apparently misrepresented the test results, according to the CEO of
23 the company that performed the tests. Its CEO told us of Mullen’s press
24 release: “We never would have said that. We never did say it and certainly
wouldn't have said it based on the results of testing that battery.”

25 • Then, on February 28th, 2022 the company made a surprising
26 announcement. Despite spending only \$3 million in R&D during its entire
27 fiscal 2021, Mullen claimed it had made progress and “significant
28 advancement” on development of solid-state batteries, a widely regarded

1 “holy grail” of the EV battery industry that has long-eluded tech and
2 automaker giants such as Panasonic and Volkswagen. The stock rallied
3 ~145% on the day.

4 95. Following the publication of the Hindenburg Report, the Individual
5 Defendants knew that they needed to improve investor confidence in Mullen and did so by
6 making and/or causing the Company to make a series of materially false and misleading
7 statements about the Company’s business, operations, and prospects, as discussed in
8 further detail below.

9 **False and Misleading Statements**

10 ***December 3, 2022 Shareholder Meeting***

11 96. On December 3, 2022, the Company hosted a shareholder meeting for
12 investors to vote on: (i) whether to effectuate a reverse stock split; (ii) a switch of Mullen’s
13 state of incorporation from Delaware to Maryland; (iii) an increase in the number of
14 allowable shares from 1.3 billion to 5 billion; and (iv) permission to issue new debt and
15 class D shares to fulfill a prior securities agreement. In the Form 8-K the Company filed
16 with the SEC on January 19, 2023 to disclose the results of the shareholder meeting, Mullen
17 stated the following with respect to the proposal to effectuate the reverse stock split:

18 Proposal No. 1 – The Reverse Stock Split Proposal: An amendment to the
19 Company’s Second Amended and Restated Certificate of Incorporation,
20 which amendment will not be filed prior to the later of March 6, 2023 and 180
21 days after such date (which later date depends on whether Nasdaq Stock
22 Market LLC grants the Company an additional 180-day extension to regain
23 compliance with Nasdaq listing rules), to effect a reverse stock split of our
24 outstanding shares of common stock in an amount not less than 1-for-2 shares
25 and not to exceed 1-for-25 shares, with the exact ratio to be set within that
26 range at the discretion of our Board of Directors (the “**Reverse Stock Split**”);
27 provided, however, that the Company will not file such amendment before
28 May 1, 2023 to effect the Reverse Stock Split unless needed in order to
maintain continued inclusion in the Russell 2000, which requires a minimum
stock price of \$1.00; notwithstanding the foregoing, if Proposal No. 2 is not
approved at the Special Meeting, then the Board of Directors may effectuate
the Reverse Stock Split at any time, and at such time and date, if at all, as

1 determined by the Board of Directors in its sole discretion, but no later than
2 December 1, 2023, when the authority granted in this proposal to implement
3 the Reverse Stock Split would terminate.

4 97. The proposal for the reverse stock split passed. However, on January 25, 2023,
5 even with approval by the shareholders, the Company announced it “has no plans at the
6 current time to effect a reverse split.” Thus, the statements Defendants made at the
7 shareholder meeting in the preceding paragraph with respect to the reverse stock split were
8 false and misleading, as the Company did not actually intend to effect the reverse stock
9 split.

10 98. The Company had until March 6, 2023 to reach the NASDAQ \$1.00 minimum
11 bid requirement, and if Mullen’s stock did not reach this requirement, the Company
12 planned to seek an extension from NASDAQ to meet it. If NASDAQ approved such an
13 extension, the Company’s deadline to comply with the requirement would be extended 180
14 days until September 6, 2023.

15 99. Defendant Michery was seemingly in favor of the reverse stock split, as
16 evidenced by his purchase of a single share of Class AA preferred stock. This share cost
17 \$25,000 and came with 1.3 billion votes. In discussing the transaction, marketbeat.com
18 reported that “[t]he factor that points to Michery’s favoring the reverse split is that his
19 *share is immediately redeemable for cash upon the passage of the proposal.*”¹⁵ It also
20 reported that Defendant Michery and Mullen filed a notice of the Cancellation of the
21 Certificate of Designation of Series AA Preferred Stock “after it had been automatically
22 redeemed for cash and served its purpose in voting to pass the proposals related to the first
23 reverse stock split.”

24 ***March 6, 2023 Press Release***

25 100. On March 6, 2023, the Company published the March 6th Press Release,
26 announcing that the Company had partnered with RRDS, a leader in small business federal
27

28 ¹⁵ All emphasis has been added unless otherwise noted herein.

1 contractors. The March 6th Press Release stated that Mullen “currently holds a prime seat
2 on 12 Indefinite Delivery/Indefinite Quantity (IDIQ) federal contracts with combined
3 funding ceilings of \$4 billion.” The March 6th Press Release further stated the following,
4 in relevant part:

5
6 BREA, Calif., March 06, 2023– via InvestorWire – ***Mullen Automotive, Inc.***
7 (NASDAQ: MULN) (“Mullen” or the “Company”), an emerging electric
8 vehicle (“EV”) manufacturer, ***announces today teaming up with Rapid***
9 ***Response Defense Systems (“RRDS”) to fast-track U.S. Federal***
10 ***Government opportunities for potential large-scale vehicle fleet orders.***

11 ***RRDS, one of the country’s leading small business federal contractors, has***
12 ***executed over 2,500 federal government delivery orders since 2014.*** The
13 company currently holds a prime seat on 12 Indefinite Delivery/Indefinite
14 Quantity (IDIQ) federal contracts with combined funding ceilings of \$4
15 billion. In 2021, U.S. Secretary of Labor Martin J. Walsh recognized RRDS
16 as a recipient of the 2021 HIRE Vets Medallion Award during an award
17 ceremony at the U.S. Department of Labor.

18 “RRDS is all about providing solutions to the federal government,” said
19 Mullen’s Manager of Government Sales Ronald Dixon. “Whether its
20 designing products to meet Department of Defense mission requirements or
21 enhancing supply chain logistics, they have a remarkable success record. In
22 addition, RRDS will be a key vehicle supplier to the General Service
23 Administration in an awarded 5-year multibillion-dollar vehicle contract. We
24 are focused on selling our EV products to the federal government and view
25 this relationship as a strategic step in accomplishing that goal.”

26 ***“With the federal government’s strong interest in electrifying a growing***
27 ***portion of its vehicle fleet, Mullen’s commercial portfolio is very well***
28 ***positioned,”*** said RRDS SVP – Federal Fred Bouman. “Mullen’s Class 1 EV
cargo van launches this year and will be the only class 1 EV van in the market.
It is 100% electrified, making it a strong fit for federal government business.”

“***Mullen Automotive is proud to team up with RRDS for U.S. government***
fleet opportunities for our Class 1 EV cargo vans,” said Mullen’s CEO and
Chairman David Michery. “***We look forward to working closely with RRDS***
in meeting the demand for EVs across the U.S. government’s fleet of
vehicles.”

1 101. The statements in the aforementioned paragraph were materially false and
2 misleading because they failed to disclose, *inter alia*, that: (1) a final ruling and compliance
3 needed to be issued by the GSA, instead of U.S. Customs and Border Protection (“CBP”);
4 (2) Mullen was not on the “fast-track” to achieve opportunities for large-scale vehicle fleet
5 orders from the U.S. government; and (3) upon information and belief, the Company has
6 not properly submitted the requisite information required for Mullen to participate or
7 receive a benefit from government contracts with Mullen or RRDS.

8 ***April 18, 2023 Press Release***

9 102. On April 18, 2023, the Company published the April 18th Press Release. The
10 April 18th Press Release announced a joint venture between Mullen and Global EV
11 Technology, Inc. called Mullen Advanced Energy Operations, LLC (“MAEO”), which
12 would purportedly advance energy management technologies, beginning with electronic
13 vehicles and then reaching other energy applications. The April 18th Press Release stated
14 that Mullen would own 51% of MAEO and that the Company would provide the capital
15 while Global EV Technology, Inc. would provide the technology. In relevant part, it stated
16 that: “Under the newly formed entity, Mullen owns 51% and will consolidate the results of
17 its operations in Mullen Automotive, Inc. Under the agreement between the parties, Global
18 EV Technology will be contributing its technology and existing contracts to MAEO, and
19 Mullen will provide capital, execution, and commercialization to grow the business.”

20 103. The April 18th Press Release further stated the following:

21 Both companies will be contributing and working together on ***known verified***
22 ***technology*** for improving existing vehicle performance and extending battery
23 range. As ***this technology has immediate and key implications for electric***
24 ***vehicles***, MAEO’s initial development is focused on improving Mullen’s
25 lineup of commercial and consumer EVs.

26 104. With respect to Global EV Technology Inc.’s founder and Chief Scientific
27 Officer, Hardge, the press release stated the following, in relevant part:

28 The founder of Global EV Technology Inc., and chief scientific officer,
Lawrence Hardge, is a successful life-long inventor with a storied career of

1 over 30 yrs. Lawrence's accomplishments include the following:

- 2 • Holds over 120 intellectual prototypes as well as numerous patents and
- 3 trademarks.
- 4 • Inventor of Knock Out 360 Fire Extinguisher. One of the only
- 5 extinguishers in the U.S. market that is UL approved for use in electric
- 6 vehicle fires.
- 7 • Featured in various magazines, including Barron's.
- 8 • Received Spirit Award from the Detroit City Council for providing
- 9 Knock Out 360 Extinguishers to local residents.
- 10 • Lifelong resident of his hometown, Vicksburg, Mississippi, with a
- 11 dedicated focus on helping his community.
- 12 • Provided scholarships to high school students who achieved honor roll
- 13 status, who otherwise could not afford to attend college, as well as
- 14 provided clothing, computers, housing, and utilities.
- 15 • Honored by the town of Vicksburg for black history month.

16 105. The April 18th Press Release also commented on Harge's past, stating: "In
17 the late 90s, Lawrence was convicted of a state crime, which was ultimately expunged.
18 Despite these challenges, Lawrence focused his energy and attention on his natural gift for
19 inventions related to electrical equipment and batteries and has dedicated his career to
20 bringing them to market."

21 106. The press release quoted Harge, who stated: "My partnership with Mullen is
22 very important to help scale this energy technology and bring it to our existing and future
23 customers[.]" In addition, the press release quoted Defendant Michery, who stated, *inter*
24 *alia*, that "Lawrence is a talented inventor, and we are excited to begin working with him
25 on improving electric vehicle performance" and that "[w]e are always looking for forward-
26 thinking and ground-breaking technology opportunities and are pleased to partner with
27 Global and EV Technologies."
28

107. Notably, the April 18th Press Release was false and misleading because it failed to disclose, *inter alia*, that the Defendants knew or should have known about Harge's previous convictions for financial crimes and disclosed such information to shareholders. Indeed, as was later revealed in the July WUSA9 Report, ***"Court documents show Hardge was sentenced to 26 years in prison for a felony conviction in 2001. He was found guilty of selling unregistered securities from his home state of Mississippi. Hardge served five years in prison and tried to expunge, or wipe, his criminal record in 2021. A Mississippi judge rescinded Hardge's temporary felony expungement in March 2022, after a judge's order shows allegations surfaced that Hardge used business investor's money to repay the people he defrauded in 2001."***

108. Following the issuance of the press release, the Company's share price closed at a price 25% higher than the previous reporting day.

April 20, 2023 Press Release

109. Two days later, the Company issued a press release (the "April 20th Press Release") to announce the first test results of the MAEO battery. In relevant part, the April 20th Press Release stated:

Mullen Automotive, Inc. (NASDAQ: MULN) ("Mullen" or the "Company"), an emerging electric vehicle ("EV") manufacturer, today announces test results of its recently acquired joint venture technology, greatly improving current EV performance by increasing EV vehicle range.

- Element Materials Technology test results indicate that the Energy Management Module ("EMM") technology substantially increases the driving range and efficiency of any current EV battery.***
- Specific vehicle testing of a high-volume OEM electric vehicle by Element resulted in a calculated increase in range from 269 to 431 miles, which is a 60% increase in efficiency.
- EMM technology was also tested by Mullen Automotive engineers on the Company's Class 1 EV Cargo Van at its Troy, Michigan, facility. Results showed more than a 75% increase in range for the 42-kWh lithium-ion

battery pack, which would be a calculated EPA estimated range of 186 miles at a very low added cost and mass.

- EMM technology is being integrated into final stages of product development and is planned to be introduced in all Mullen commercial and consumer vehicle programs.
- U.S. provisional patent application has been filed covering the technology.
- Mullen Automotive owns 51% of MAEO, LLC and will consolidate the results of its operations in Mullen Automotive, Inc. (NASDAQ: MULN)

110. The press release quoted Harge, who stated: “We have tested EMM technology in various vehicle applications and have repeatedly seen significant improvements in range. I am extremely pleased to partner with Mullen for the commercialization and global availability of the EMM technology[.]”

111. In addition, the press release quoted Defendant Michery, who stated, *inter alia*, that “[s]eeing the previous EMM test results conducted by Element, along with Global EVT testing, and correlating that with testing by our engineers, we believe this technology is a perfect fit for Mullen’s EV product lineup as well as the advancement in EV technology for the overall automotive industry.” The April 20th Press Release also indicated that MAEO was “plan[ning] on licensing this technology to anyone who uses an electric vehicle.”

112. The aforementioned statements were materially false and misleading because, as was later revealed, the Company’s battery technology did not have the capabilities that Defendants repeatedly touted during the Relevant Period. Moreover, the statements failed to disclose Hardge’s checkered past.

April 20, 2023 Facebook Live

113. On April 20, 2023, Hardge went on Facebook Live to announce that Mullen had entered into a deal worth \$10 billion with Saudi Arabia. Hardge specifically stated the following, in relevant part:

1 ***This is not what somebody said or what you heard, this is reality. \$10 billion***
2 ***contract with Saudi Arabia. And more to come ...*** Mullen and Lawrence
3 Hardge are here to assist them, they have countries like Yemen, Israel, all of
4 them have joined in to take this technology, and they're going to produce it in
5 Saudi Arabia and they're also paying for a manufacturing plant to come to
6 Michigan.

7 114. In relevant part, Hardge also posted the following on Facebook, together with
8 an image of Mullen's company logo:

9 I accept my New Position as Senior Vice President.
10 I am also proud to see the job creations in Tunica, Ms. My Home state.
11 Time to shut these naysayers down.
12 Stay Tuned For the Real Deal Holyfield as my buddy would say.
13 ***Representatives from my team have been in Saudi since last week Friday***
14 ***working on bringing the Saudi Deal to fruition.***
15 ***I represent facts. This is my story and I stand behind it.***

16 115. Hardge later reiterated these claims on another Facebook Live stating:
17 three deals in the Middle East...This is tentative. ***We already committed, the***
18 ***deals are committed, so nobody can back out...Several multi-billion-dollar***
19 ***deals coming out of the Middle East, some that's coming out of Asia.***

20 116. These statements were materially false and misleading because, as Defendant
21 Michery later admitted, the Company was not involved in the Saudi deals, and thus the
22 purported "contract" would never benefit the Company or its stock.

23 ***May 3, 2023 Reverse Stock Split***

24 117. On May 3, 2023, the Company announced that "it will effect a 1-for-25
25 reverse stock split ('Reverse Stock Split') of its common stock, par value \$0.001 per share
26 ('Common Stock'), that will become effective on May 4, 2023, at 12:01 a.m., Eastern
27 Time. Mullen's Common Stock will continue to trade on The Nasdaq Capital Market
28 ('Nasdaq') under the existing symbol 'MULN' and will begin trading on a split-adjusted
basis when the market opens on May 4, 2023.

May 15, 2023 Press Releases

1 118. On May 15, 2023, following the reverse stock split, the Company issued a
2 press release to “announce[] a business update to its shareholders.” The press release
3 announced that “[o]n January 20, 2023, *Energy Management Module (‘EMM’)*
4 *technology was tested by Hardge and Mullen engineers on the Company’s EV Cargo*
5 *Van at its Troy, Michigan, facility, with testing results showing an increased battery*
6 *capacity of 44%.*”

7 119. The same day, the Company, through a separate press release, “issue[d] an
8 update on the pilot program contract for installation of Energy Management Modules
9 (‘EMM’) on Washington, D.C., city government’s fleet of vehicles.” The press release
10 represented that the contract with Washington D.C. was worth \$680,000; that it “was
11 previously awarded by the District of Columbia, Washington, D.C., to EV Technologies,
12 LLC. for the purchase and installation of EMM units on Chevrolet Bolts within the D.C.
13 city government’s vehicle fleet.”; and that MAEO was now “supporting EV Technologies
14 for the execution of the contract, which started on April 24, 2023.”

15 120. The press release further stated the following, in relevant part:

16
17 MAEO, which is a 51%-owned subsidiary of Mullen Automotive, is a
18 collaboration with Global EV Technology, Inc. (“Global”).

19 MAEO has named Lawrence Hardge to the position of Senior Vice President
20 of Technology. Lawrence will be overseeing all technological aspects of the
21 Energy Management Module (‘EMM’) applications.

22 “We look forward to completing our installation work here in D.C., and the
23 next steps as vehicles enter the fleet with our EMM and also future
24 opportunities with the local and federal government agencies,” said Lawrence
25 Hardge, CEO of EV Technologies, LLC.

26 “As testing and installations continue in D.C., we will provide further
27 updates,” said David Michery, CEO and chairman of Mullen Automotive.

28 121. The press release was false and misleading because it failed to disclose, *inter alia*, that: the Defendants knew or should have known about Harge’s previous convictions

1 for financial crimes and disclosed such information to shareholders. Indeed, as was later
2 revealed in the July WUSA9 Report, *“Court documents show Hardge was sentenced to*
3 *26 years in prison for a felony conviction in 2001. He was found guilty of selling*
4 *unregistered securities from his home state of Mississippi. Hardge served five years in*
5 *prison and tried to expunge, or wipe, his criminal record in 2021. A Mississippi judge*
6 *rescinded Hardge’s temporary felony expungement in March 2022, after a judge’s order*
7 *shows allegations surfaced that Hardge used business investor’s money to repay the*
8 *people he defrauded in 2001.”* Moreover, the press release failed to disclose that Mullen’s
9 battery technology did not have the advanced capabilities that Defendants repeatedly touted
10 to investors.

11 ***May 15, 2023 Letter Agreement***

12 122. On May 15, 2023, the Company entered into a Securities Purchase Agreement
13 (the “May 15th Letter Agreement”) with Esousa Holdings delaying the purchase of the
14 Company’s common stock worth \$45,000,000 to June 12, 2023. The May 15th Letter
15 Agreement was false and misleading because it failed to disclose Wachs’s criminal past
16 where he defrauded Chase Manhattan Bank for \$20 million and was permanently banned
17 from FINRA, NASD, and the board of governors of the Federal Reserve.

18 ***November 27, 2023 Press Release***

19 123. On November 27, 2023, the Company issued a press release providing an
20 update on their partnership with RRDS. The November 27 Press Release stated that the
21 Company and RRDS had filed responses for a final ruling and compliance by the U.S.
22 Customs and Border Protection (“BBP”).

23 124. The November 27 Press Release further stated that “Upon a successful ruling,
24 Mullen will have demonstrated the commitment it has made to growing the EV market in
25 the U.S.”

26 125. The statements in the aforementioned paragraphs were materially false and
27 misleading because they failed to disclose, *inter alia*, that: (1) a final ruling and compliance
28

1 needed to be issued by the GSA, instead of CBP; and (2) upon information and belief, the
2 Company has not properly submitted the requisite information required for Mullen to
3 participate or receive a benefit from government contracts with Mullen or RRDS.

4 **The Truth Begins to Emerge as the False and Misleading Statements Continue**

5 ***June 6, 2023 Announcement***

6 126. The truth began to emerge on June 6, 2023, when, after having received the
7 benefit of the stock bump, Defendant Michery announced that Mullen would not be
8 participating in the \$10 billion deal with Saudi Arabia previously announced by Hardge in
9 April 2023. Notably, Defendant Michery revealed the following, in relevant part:

10
11 “I’ve never reviewed any Saudi deals nor am I familiar with the deals, and to
12 be clear if anyone were interested they could defer to the agreements that we
13 executed that act as the definitive agreements until superseded by subsequent
14 operating agreements and they are not cancelable unless we mutually agree to
15 terminate the relationship which we’ve not done.

16 ***As it relates to the Saudi Deal, it’s carved out.***

17 ***We gave him that, so I don’t understand why he would say that he provided***
18 ***us that deal to look at when he has that as a carve out in the agreements***
19 ***that we filed with the SEC.***

20 ***He does have a carve out and we gave him that territory as an exclusion, so***
21 ***we don’t really have any rights to it, nor do we care.***

22 So, you know, there’d be no reason for us to look at any agreements that he
23 has between the Saudi’s, or the alleged Saudi’s.

24 We don’t care one way or the other. ***So, I want to be clear about that. I’ve***
25 ***never reviewed any documents. He’s never provided any documents about***
26 ***any Saudi Arabian deal.***

27 ***The only documents that I’ve ever reviewed were documents with the***
28 ***District of Columbia or the installation of the units into Chevy Bolts. Those***
are the only documents we’ve reviewed.”

127. The Individual Defendants had concealed this information from investors for

1 almost two months, notably failing to disclose it in the Company's April 18th Press Release
2 which discussed Mullen's dealings with Hardge.

3
4 128. Defendant Michery said that the Saudi Arabia deal would have "no impact"
5 on Mullen.

6 ***Jalopnik Report***

7 129. The truth continued to emerge on June 8, 2023, with the release of the Jalopnik
8 Report. The Jalopnik Report revealed the misleading nature of the claims by Global EV
9 Technology, Inc. Global EV Technology, Inc. purported to have a device that could extend
10 the battery life of "top EVs" by 500 to 700 miles. However, the Jalopnik Report found the
11 testing methods misleading, stating:

12 The results of the testing mysteriously disappeared, but I managed to find
13 them: buried in the pictures on Hardge's Facebook profile are two pages of
14 what's supposed to be a 14-page report. If you look closely you'll see that the
15 main details left out of both the description of the Ever-Charge Technology
16 and its release announcement were that the test was performed using a GEM
E6, one of those small golf cart like EVs retirees use down in Florida.

17 It wasn't performed on a "top EV" as the description mentions. The test was
18 also done without the drive wheels touching the ground. Basic science tells us
19 that low rolling resistance and a lighter load on the battery are going to mean
20 a higher range. But this all just points to the testing being purposely presented
21 as misleading. I reached out to Global EV Technology to see if they could
22 explain their tech a bit more and was met with silence.

23 ***Investorplace Report***

24 130. On June 20, 2023, Investorplace released a report stating that the relationship
25 between the Company and Hardge had deteriorated. The Investorplace Report detailed that
26 Hardge had previously alluded to walking away from the MAEO deal, stating "I don't have
27 nothing to hide. Every day people walk away from deals. They don't work out, life goes
28 on, they move on."

131. The Investorplace Report further reported that Defendant Michery and Hardge

1 had not spoken in weeks, with Hardge stating, “But I can’t speak on David, we don’t talk.
2 But I can tell you this here: I didn’t sign up for this.” The report also detailed an interview
3 that had been conducted earlier in the month with Defendant Michery, where he stated the
4 following, in relevant part:

5 *“So, we sent [Lawrence Hardge] definitive agreements, which are the*
6 *operating agreements and all of the agreements that would underline*
7 *operating MAEO that went to his current lawyer, the Calhoun Law Firm, and*
8 *we obviously submitted those documents for review. They submitted those*
9 *documents to Lawrence and then contacted us towards the end of May to tell*
10 *us that they were terminated by Lawrence, which we found to be interesting,*
11 *to say the least.”¹⁶*

12 ***June 21, 2023 Press Release***

13 132. The truth continued to emerge on June 21, 2023 when the Company
14 announced by press release “an investor financing moratorium for the balance of 2023.” In
15 the press release, Defendants attempted to reassure investors, representing that, even
16 though there had been steep declines in the Company’s share price, the Company had met
17 or was positioned to meet its objectives.

18 133. The press release stated:

19 Remaining investor option expires on June 30, 2023. Company assets are
20 unencumbered with the exception of \$7.3 million outstanding debt.

21 The Company continues to trade at a steep discount to its current cash position
22 of \$135 million or \$0.38 per share as of June 13, 2023. As of its most recently
23 filed Form 10-Q on March 31, 2023, the Company’s book value was \$2.08
24 per share.

25 ***Since March 31, 2023, the Company’s stock has declined over 95% from***
26 ***\$3.25 per share to \$0.16 per share on June 20, 2023. The Company’s***
27 ***common stock trades at a discount to our cash value per common share of***
28 ***\$0.38 as of June 13, 2023.***

Despite the decline in stock price, management believes the Company has

¹⁶ Emphasis in original.

1 *already met or is positioned to meet the previously announced objectives.*

2 As per the Company's last reported financial position on March 31, 2023, it
3 had \$86.7 million of cash available for operations and \$0.68 of cash value per
4 share. Mullen's book value per share was \$2.08 on March 31, 2023. ***The
Company has sufficient capital on hand for at least the next 12 months.***

5 The Company would like to highlight two completed acquisitions that added
6 valuable, unencumbered assets to the balance sheet totaling \$253 million for
7 majority ownership in Bollinger Motors and certain assets related to Electric
Last Mile Solutions ("ELMS").

8 134. The aforementioned statements were materially false and misleading and
9 failed to disclose that Mullen did not have sufficient capital on hand for at least the next 12
10 months, largely due to the fact that Defendants had repeatedly entered into partnerships
11 with individuals who had previously been convicted of fraudulent activity. When the truth
12 regarding these partnerships came to light, the Company suffered the fallout, which
13 impacted its financial results.

14 ***Fastcompany Report***

15 135. The truth continued to emerge on July 5, 2023 when Fastcompany released its
16 report revealing the specifics of Hardge's criminal past.

17 136. The Fastcompany Report stated the following, in relevant part:

18
19 In 2021, an inventor named Lawrence Hardge convinced the CEO of a
20 Tennessee medical company to invest a hefty sum of money into his "Black
21 Box Technology," an energy system he said would revolutionize electric car
22 batteries. He vowed it could triple vehicle performance, and better yet,
23 regenerate power without being plugged in. Essentially, he was touting a
perpetual-motion machine, and argued he only needed \$300,000 to complete
it.

24 What the investor, Roger Biles, didn't know was that back in 2001, Hardge
25 had been convicted of eight counts of securities fraud, sentenced to 20 years
26 in prison, and ordered by the state of Mississippi to pay fines and restitution
27 equaling \$291,497.31. Two days after Biles' funds cleared, Hardge paid back
28 what he owed using the same account where that capital had been deposited,
according to documents Biles later introduced in court. Satisfied that Hardge

1 had repaid his legal debt to society, the state granted his request to expunge
2 his felony criminal record. It might have stayed expunged, too—except
3 Hardge allegedly bragged about his scheme immediately, leading the court to
4 rescind his expungement order one month later.

5 Biles contends, in a lawsuit now being heard in a Tennessee court, that he was
6 defrauded “in a fashion similar to the acts for which Hardge was originally
7 convicted”—which include not just embezzling money, but also refusing to
8 pay \$105,000 for Biles’ electric Porsche that was negotiated into the deal.

9 * * *

10 To capitalize on the attention, Mullen touted new deals it swore were
11 forthcoming, going so far as to claim that some, such as Hardge’s battery
12 technology, would upend the industry.

13 In its initial press release announcing the partnership with Hardge, the
14 company included a strangely vague acknowledgment: “In the late ’90s,
15 Lawrence was convicted of a state crime, which was ultimately expunged.”
16 It’s known now that this was patently untrue. The question is, what did Mullen
17 know in April? Did it fail to conduct due diligence on a major business
18 partner? Did it ask Hardge and he lied? Or was Mullen aware that Hardge’s
19 felony conviction was “expunged” for a mere 10 months and then reinstated?

20 137. The Fastcompany Report also questioned the Company’s battery technology,
21 stating:

22 It has also unleashed a wider scandal, one that could implicate an emerging
23 California electric carmaker—Mullen Automotive—whose soaring
24 popularity in the world of meme stocks is owed at least in part to a partnership
25 it forged with Hardge.

26 In April, Mullen and Hardge announced joint venture to install his supposedly
27 self-regenerating battery technology in its electric vehicles, then scale it to
28 golf carts, drones, wheelchairs, e-bikes, anything electric—a veritable game
changer worth billions, if it existed. Mullen’s shares enjoyed a 24% bump
within one day as investors swooped in, dreaming of their own massive, Tesla-
style payday. But just months later, a growing number of investors are now
doubting if Hardge’s device was real, asking if Mullen ever even believed it
was, and wondering if that duo has simply taken them all for a ride.

July 10, 2023 Form 8K

138. The truth continued to emerge on July 10, 2023 when the Company

1 announced on a Form 8-K filed with the SEC (the “July 10th Form 8-K”) that it had
2 terminated the joint venture with Global EV Technologies, Inc. In relevant part, the July
3 10th Form 8-K stated:

4 On July 10, 2023, Mullen Automotive Inc. (the “Company” or “Mullen”),
5 issued a termination notice to Lawrence Hardge and the following entities
6 Global EV Technology, Inc. and EV Technology, LLC (collectively, “EVT”)
7 terminating the Agreement dated April 17, 2023 between the Company and
8 EVT. Pursuant to the Agreement, the parties agreed to jointly form and
9 organize Mullen Advanced Energy Operations (“MAEO”) to develop,
10 manufacture, market, sell, lease, distribute and service all products resulting
11 from a device that is designed to extend the effective battery life (the
“Technology”) and EVT would agree to license to MAEO the Technology
and all intellectual property rights relating to the Technology.

12 *The termination notice, which was sent after numerous attempts by the*
13 *Company to obtain adherence by EVT to the terms of the Agreement,*
14 *references several breaches by EVT including (1) failing to execute*
15 *documents evidencing an irrevocable, royalty free, worldwide exclusive*
16 *license to the Technology and IP, in perpetuity, to MAEO, (2) refusing to*
17 *conduct any tests of the Technology at a Mullen approved facility after the*
18 *LOA, (3) repeatedly refusing to honor the terms of the Mutual Non-*
Disclosure Agreement signed April 14, 2023, and (4) failing to disclose all
claims or threatened legal actions by any third parties related to the
Technology.

19 ***July 17, 2023 WUSA9 Report***

20 139. The truth continued to emerge on July 17, 2023, when WUSA9 issued a
21 scathing report casting more doubts on the battery technology of the Company, titled
22 “Convicted felon gets DC contract to install car battery tech called impossible by experts.”

23 140. The July 17th WUSA9 Report stated:

24 Lawrence Hardge, sentenced to 26 years in prison in 2001, claims his
25 invention can double the battery range of electric vehicles.

26 ***

27 Self-described inventor Lawrence Hardge created a small box to be installed
28 into D.C.’s parking enforcement vehicles. ***Electrical engineers say this***

1 *product is untested and practically impossible.*

2 ***

3 *Hardge won't provide any pictures or diagrams of the device he claims to*
4 *have created, but WUSA9 found a depiction on company news*
5 *release posted on a federal website. It appears to be a black box that can be*
6 *handheld with black and red wires coming from it. Hardge claims it will*
7 *double the range of D.C.'s parking enforcement electric vehicles by doing*
8 *what he calls "rejuvenating the battery."*

9 WUSA took those claims to the electrical engineering labs at the University
10 of Maryland.

11 *"There's not technologies that I'm aware of that can really boost that same*
12 *battery pack to significantly more than 200 mile range," said Paul*
13 *Albertus, associate director of the Maryland Energy Innovation*
14 *Institute. "There's a variety of limitations just from basic chemical theory.*
15 *There's only so much energy you can store for the materials that you put*
16 *into a battery."*

17 UMD's experts add that any experimental ways to slightly re-energize a
18 battery involve breaking it open, not wiring a box to it as Hardge claims he
19 can do.

20 WUSA also told General Motors, maker of the Chevy Bolts, what Hardge is
21 working on and asked what they know about his claims.

22 *"We have not been involved in this project and are not aware of this specific*
23 *technology," General Motors wrote in a statement.*

24 141. The July 17th WUSA9 Report also discussed Hardge's criminal past, stating
25 the following, in relevant part:

26 Court documents show Hardge was sentenced to 26 years in prison for a
27 felony conviction in 2001. He was found guilty of selling unregistered
28 securities from his home state of Mississippi. Hardge served five years in
prison and tried to expunge, or wipe, his criminal record in 2021. A
Mississippi judge rescinded Hardge's temporary felony expungement in
March 2022, after a judge's order shows allegations surfaced that Hardge used
business investor's money to repay the people he defrauded in 2001.

1 *WUSA9 asked the D.C. government whether it knew that Mississippi court*
2 *records consider Hardge a convicted felon before it signed a contract with*
3 *him.*

4 *A spokesperson with DC Office of Contracts and Procurement responded*
5 *that the department wasn't aware of that until the day WUSA9 informed*
6 *them and that it is "actively investigating the situation."*

7 142. The July 17th WUSA9 Report also revealed the following:

8 Six weeks after we alerted DC about Hardge and his claims, on July 13, DC
9 government told WUSA9 it "terminated" the contract due to "violations of
10 terms of the agreement." It added DC would not pay Hardge any money.

11 *August 7, 2023 WUSA9 Report*

12 143. The truth continued to emerge on August 7, 2023, when WUSA9 issued a
13 follow up report after Hardge disputed some of the claims in the July 17th WUSA9 Report.

14 144. In the August 7th WUSA9 Report, Hardge was quoted as stating the
15 following:

16 What I created was simple. Nobody thought of it. I filed a patent on it, okay.
17 What I created instead of having a combustible, alternator, I created an all-
18 electric battery, and it is an energy management system. Basically what it is,
19 sir, is the all-electric generator. I've taken the old battery energy, design a
20 generator, where you see the box, my system is plugged in the box, which is
21 an all-electric generator. And that's why I beat out everybody in the world.

22 145. The August 7th WUSA9 Report further disputed Hardge's claims regarding
23 the Company's battery capabilities, stating:

24 We took Hardge's claims to Paul Albertus, PhD, an electrical engineer at the
25 University of Maryland: "So there's extensive research and development to
26 develop new battery chemistries that are improvements on lithium ion that
27 have a longer range. There's not technologies that I'm aware of that can really
28 boost that same battery pack to significantly more than 200 mile range. There's
a variety of limitations just from basic chemical theory. There's only so much
energy you can store for the materials that you put into a battery, and there's
a little bit of flexibility in that."

1 Second, WUSA9 asked Hardge for the certified test results he claims reported
2 his technology works. ***Paperwork he gave us show Hardge paid Element labs***
3 ***of Michigan to put his modified car through some mileage tests. But the lab***
4 ***came to no conclusion, writing “to be determined by Hardge Global***
5 ***Technologies, LLC.”*** Hardge provided no testing reports coming to an
6 independent conclusion that agreed with his claims.

7 146. The August 7th WUSA9 Report further discussed Hardge’s criminal past,
8 stating:

9 ***First, Hardge claims that his felony record for illegally selling stocks in***
10 ***2001 was expunged, or wiped, when entering into a contract with DC***
11 ***government. We obtained a judge’s order rescinding that expungement***
12 ***after allegations surfaced that Hardge used business investor’s money to***
13 ***repay the people he defrauded in 2001. It’s dated March 2022. The DC***
14 ***contract was awarded February 2023. Hardge was a felon convicted of***
15 ***business crimes during the DC contract and remains so.***

16 ***November 24, 2023 Press Release***

17 147. On November 24, 2023, the Company published a press release to update
18 investors on the RRDS partnership. In relevant part, the press release stated that the
19 Company and RRDS ***“have filed responses for final ruling and compliance by the U.S.***
20 ***Customs and Border Protection (‘CBP’) application for Mullen’s Class 1 EV cargo van.”***

21 148. The statements in the aforementioned paragraph were materially false and
22 misleading because they failed to disclose, *inter alia*, that a final ruling and compliance
23 needed to be issued by the GSA, instead of CBP; and (2) upon information and belief, the
24 Company has not properly submitted the requisite information required for Mullen to
25 participate or receive a benefit from government contracts with Mullen or RRDS.

26 ***November 27, 2023 Press Release***

27 149. On November 27, 2023, the Company published another press release to
28 discuss the RRDS partnership. In relevant part, the press release stated:

On behalf of Mullen, RRDS filed the Ruling Request Application, which
details the substantial transformation Mullen completed for the Class 1 EV

1 cargo van to meet U.S. Federal Motor Vehicle Safety Standards and
2 Environmental Protection Agency regulations, including the design, testing
3 and validation of new safety systems including airbags, sensors and control
4 modules, rearview camera, front bumper system, wiring harnesses and
5 seating. By successfully completing the substantial transformative process,
6 the Mullen ONE will be defined as a U.S.-made end product.

7 150. The statements in the aforementioned paragraph were materially false and
8 misleading because they failed to disclose, *inter alia*, that upon information and belief, the
9 Company has not properly submitted the requisite information required for Mullen to
10 participate or receive a benefit from government contracts with Mullen or RRDS.

11 **THE TRUTH FULLY EMERGES**

12 ***March 13, 2024 Press Release***

13 151. The truth fully emerged on March 13, 2024 when the Company announced by
14 press release an update with the partnership with RRDS. The March 13th Press Release
15 stated that the CBP informed the Company that final determination on the ruling request
16 for the government contract needed to be issued by the GSA. The March 13 Press Release
17 further stated that the Company and RRDS were now proceeding with the GSA to finalize
18 qualification of Mullen to sell Class 1 EV cargo vans to all branches of the U.S.
19 government. In relevant part, it stated:

20 On March 5, 2024, U.S. Customs and Border Protection informed Rapid
21 Response Defense Systems (“RRDS”) counsel that a final determination on
22 the ruling request needs to be issued by the U.S. General Services
23 Administration (“GSA”).

24 Based on CBP advice, Mullen and RRDS are now proceeding with the GSA
25 in order to finalize qualification of Mullen to sell Class 1 EV cargo vans to all
26 branches of the U.S. government.

27 “Mullen is well positioned to support the U.S. government’s goal of
28 transitioning its fleet to electric vehicles,” said David Michery, CEO and
chairman of Mullen Automotive.

152. On this news, Mullen’s stock price fell \$0.002 per share, or almost 12%, to

1 close at \$0.15 per share on March 13, 2024.

2
3 **Subsequent Developments**

4 153. Since the end of the Relevant Period, Defendants have continued to make false
5 and misleading statements regarding, *inter alia*, the purported deals that Mullen had
6 entered into with Esousa Holdings and Volt Mobility.

7 ***May 21, 2024 Stock Purchase Agreement***

8 154. On May 15, 2024, the Company entered into a stock purchase agreement (the
9 “May Purchase Agreement”) with Esousa Holdings. The May Purchase Agreement stated
10 that Esousa Holdings agreed to purchase from Mullen, at Mullen’s discretion from time to
11 time, from the effective date of the registration statement and until the earlier of (i) the 36
12 month anniversary of the Commencement Date or (i) the termination of the May Purchase
13 Agreement in accordance with the terms thereof, shares of Mullen’s common stock, having
14 a total maximum aggregate purchase price of \$150,000,000. The Company failed to
15 disclose material information that Wachs had pled guilty in 1997 to defrauding Chase
16 Manhattan Bank for \$20 million and that Wachs had received a lifetime ban from FINRA,
17 NASD, and the board of governors of the Federal Reserve.

18 ***August 26, 2024 X Post***

19 155. Defendant Michery posted on X that Volt Mobility were to have 3,000 Class
20 1 & 3 EV cargo vans assembled at the Company’s Mississippi facility.

21 ***August 27, 2024 Stock Purchase***

22 156. Pursuant to the May Purchase Agreement, Esousa purchased 13,816,105
23 shares of the Company’s stock. The Company failed to disclose material information that
24 Wachs had pled guilty in 1997 to defrauding Chase Manhattan Bank for \$20 million and
25 that Wachs had received a lifetime ban from FINRA, NASD, and the board of governors
26 of the Federal Reserve.

27 ***January 23, 2025 Stock Purchase Agreement***

28 157. On January 23, 2025, the Company announced it had entered into a securities

1 purchase agreement with Esousa and JADR whereby ESOUA and JADR purchased an
2 aggregate principal amount of approximately \$6.3 million of 5% Original Issue Discount
3 Secured Notes convertible into shares of Common Stock and five-year warrants exercisable
4 on cash basis for 32,388,664 shares of common stock. The Company failed to disclose
5 material information that Wachs had pled guilty in 1997 to defrauding Chase Manhattan
6 Bank for \$20 million and that Wachs had received a lifetime ban from FINRA, NASD, and
7 the board of governors of the Federal Reserve.

8 ***March 20, 2025 Form 8-K***

9 158. On March 20, 2025, the Company filed a Form 8-K with the SEC announcing
10 that it had terminated the deal with Volt Mobility.

11 **DAMAGES TO MULLEN**

12 159. As a direct and proximate result of the Individual Defendants' conduct,
13 Mullen has lost and will continue to lose and expend many millions of dollars.

14 160. Such expenditures include, but are not limited to, legal fees, costs, and any
15 payments for resolution of or to satisfy a judgment associated with the Securities Class
16 Actions, and amounts paid to outside lawyers, accountants, and investigators in connection
17 thereto.

18 161. Such expenditures also include, but are not limited to, fees, costs, and any
19 payments for resolution of or to satisfy judgments associated with any other lawsuits filed
20 against the Company or the Individual Defendants based on the misconduct alleged herein,
21 and amounts paid to outside lawyers, accountants, and investigators in connection thereto.

22 162. Such expenditures will also include costs incurred in any internal
23 investigations pertaining to violations of law, costs incurred in defending any
24 investigations or legal actions taken against the Company due to its violations of law, and
25 payments of any fines or settlement amounts associated with the Company's violations.

26 163. Additionally, these expenditures include, but are not limited to, unjust
27 compensation, benefits, and other payments provided to the Individual Defendants who
28

1 breached their fiduciary duties to the Company.

2 164. As a direct and proximate result of the Individual Defendants' conduct,
3 Mullen has also suffered and will continue to suffer a loss of reputation and goodwill, and
4 a "liar's discount" that will plague the Company's stock in the future due to the Company's
5 and their misrepresentations.

6 **DERIVATIVE ALLEGATIONS**

7 165. Plaintiff brings this action derivatively and for the benefit of Mullen to redress
8 injuries suffered, and to be suffered, as a result of the Individual Defendants' breaches of
9 their fiduciary duties as directors and/or officers of Mullen, unjust enrichment, abuse of
10 control, gross mismanagement, waste of corporate assets, and violations of the Exchange
11 Act.

12 166. Mullen is named solely as a nominal party in this action. This is not a collusive
13 action to confer jurisdiction on this Court that it would not otherwise have.

14 167. Plaintiff is, and has been at all relevant times, a shareholder of Mullen.
15 Plaintiff will adequately and fairly represent the interests of Mullen in enforcing and
16 prosecuting its rights, and, to that end, has retained competent counsel, experienced in
17 derivative litigation, to enforce and prosecute this action.

18 **DEMAND FUTILITY ALLEGATIONS**

19 168. Plaintiff incorporates by reference and realleges each and every allegation
20 stated above as if fully set forth herein.

21 169. A pre-suit demand on the Board is futile and, therefore, excused. When this
22 action was filed, Mullen's Board consisted of the following seven individuals: Defendants
23 Michery, Andersen, Betor, Miltner, Novoa, Puckett, and Winter (the "Director-
24 Defendants"). Plaintiff needs only to allege demand futility as to four of the seven Director-
25 Defendants that were on the Board at the time this action was filed.

26 170. Demand is excused as to all of the Director-Defendants because each one of
27 them faces, individually and collectively, a substantial likelihood of liability as a result of
28

1 the scheme they engaged in knowingly or recklessly to make and/or cause the Company to
2 make false and misleading statements and omissions of material fact. This renders the
3 Director-Defendants unable to impartially investigate the charges and decide whether to
4 pursue action against themselves and the other perpetrators of the scheme.

5 171. In complete abdication of their fiduciary duties, the Director-Defendants
6 either knowingly or recklessly caused or permitted Mullen to issue materially false and
7 misleading statements. Specifically, the Director-Defendants caused Mullen to issue false
8 and misleading statements which were intended to overestimate the strength of Mullen's
9 partnerships with MAEO and RRDS and which further overstated the Company's battery
10 technology. Moreover, the Director-Defendants caused the Company to fail to maintain
11 internal controls. As a result of the foregoing, the Director-Defendants breached their
12 fiduciary duties, face a substantial likelihood of liability, are not disinterested, and demand
13 upon them is futile, and thus excused.

14 172. Additional reasons that demand on Defendant Michery is futile follow.
15 Defendant Michery has served as Chairman of the Board and as CEO of the Company since
16 November 2021. The Company provides Defendant Michery with his principal occupation
17 for which he receives handsome compensation. Thus, as the Company admits, he is a non-
18 independent director. As the Company's highest officer, he conducted little, if any,
19 oversight of the scheme to make and/or cause the Company to make false and misleading
20 statements, consciously disregarded his duties to monitor such controls over reporting and
21 engagement in the scheme, and consciously disregarded his duties to protect corporate
22 assets. In addition, during the Relevant Period, he failed to correct the false and misleading
23 statements alleged herein and personally made many of the false and misleading statements
24 alleged herein. Further, Defendant Michery is a defendant in the Securities Class Action.
25 Defendant Michery has materially benefitted from the Individual Defendants' breaches of
26 fiduciary duty alleged herein, having made insider sales while the Company's stock price
27 was artificially inflated as a result of the false and misleading statements alleged herein,
28

1 with personal proceeds of approximately \$6.3 million. For these reasons, too, Defendant
2 Michery breached his fiduciary duties, faces a substantial likelihood of liability, is not
3 independent or disinterested, and thus demand upon him is futile and, therefore, excused.

4 173. Additional reasons that demand on Defendant Andersen is futile follow.
5 Defendant Andersen has served as a Company director since September 2022. He also
6 serves as a member of the Audit Committee and a member of the Compensation
7 Committee. In addition, Defendant Andersen receives handsome compensation from the
8 Company for his role as a director. As a trusted director, he conducted little, if any,
9 oversight of the scheme to make and/or cause the Company to make false and misleading
10 statements, consciously disregarded his duties to monitor such controls over reporting and
11 engagement in the scheme, and consciously disregarded his duties to protect corporate
12 assets. Moreover, Defendant Andersen has materially benefitted from the Individual
13 Defendants' breaches of fiduciary duty alleged herein, having made insider sales while the
14 Company's stock price was artificially inflated as a result of the false and misleading
15 statements alleged herein, netting personal proceeds of approximately \$189,202. For these
16 reasons, too, Defendant Andersen breached his fiduciary duties, faces a substantial
17 likelihood of liability, is not independent or disinterested, and thus demand upon him is
18 futile and, therefore, excused.

19 174. Additional reasons that demand on Defendant Betor is futile follow.
20 Defendant Betor has served as a Company director since November 2021. He also serves
21 as a member of the Audit Committee and Compensation Committee and as Chair of the
22 Nominating & Governance Committee. In addition, Defendant Betor receives handsome
23 compensation from the Company for his role as a director. As a trusted director, he
24 conducted little, if any, oversight of the scheme to make and/or cause the Company to make
25 false and misleading statements, consciously disregarded his duties to monitor such
26 controls over reporting and engagement in the scheme, and consciously disregarded his
27 duties to protect corporate assets. For these reasons, too, Defendant Betor breached his
28

1 fiduciary duties, faces a substantial likelihood of liability, is not independent or
2 disinterested, and thus demand upon him is futile and, therefore, excused.

3 175. Additional reasons that demand on Defendant Miltner is futile follow.
4 Defendant Miltner has served as a Company director since November 2021. In addition,
5 Defendant Miltner receives handsome compensation from the Company for his role as a
6 director. The Company admits Defendant Miltner is a non-independent director. As a
7 trusted director, he conducted little, if any, oversight of the scheme to make and/or cause
8 the Company to make false and misleading statements, consciously disregarded his duties
9 to monitor such controls over reporting and engagement in the scheme, and consciously
10 disregarded his duties to protect corporate assets. For these reasons, too, Defendant Miltner
11 breached his fiduciary duties, faces a substantial likelihood of liability, is not independent
12 or disinterested, and thus demand upon him is futile and, therefore, excused.

13 176. Additional reasons that demand on Defendant Novoa is futile follow.
14 Defendant Novoa has served as a Company director since July 2022. In addition, Defendant
15 Novoa receives handsome compensation from the Company for his role as a director. The
16 Company admits that Defendant Novoa is a non-independent director. As a trusted director,
17 he conducted little, if any, oversight of the scheme to make and/or cause the Company to
18 make false and misleading statements, consciously disregarded his duties to monitor such
19 controls over reporting and engagement in the scheme, and consciously disregarded his
20 duties to protect corporate assets. For these reasons, too, Defendant Novoa breached his
21 fiduciary duties, faces a substantial likelihood of liability, is not independent or
22 disinterested, and thus demand upon him is futile and, therefore, excused.

23 177. Additional reasons that demand on Defendant Puckett is futile follow.
24 Defendant Puckett has served as a Company director since November 2021. He also serves
25 as Chair of the Audit Committee, Chair of the Compensation Committee, and as a member
26 of the Nominating & Governance Committee. In addition, Defendant Puckett receives
27 handsome compensation from the Company for his role as a director. As a trusted director,
28

1 he conducted little, if any, oversight of the scheme to make and/or cause the Company to
2 make false and misleading statements, consciously disregarded his duties to monitor such
3 controls over reporting and engagement in the scheme, and consciously disregarded his
4 duties to protect corporate assets. Moreover, Defendant Puckett has materially benefitted
5 from the Individual Defendants' breaches of fiduciary duty alleged herein, having made
6 insider sales while the Company's stock price was artificially inflated as a result of the
7 false and misleading statements alleged herein, netting personal proceeds of approximately
8 \$33,000. For these reasons, too, Defendant Puckett breached his fiduciary duties, faces a
9 substantial likelihood of liability, is not independent or disinterested, and thus demand
10 upon him is futile and, therefore, excused.

11 178. Additional reasons that demand on Defendant Winter is futile follow.
12 Defendant Winter has served as a Company director since November 2021. She also serves
13 as the Company's Secretary and as a member of the Nominating & Governance
14 Committee. The Company provides her with her principal occupation for which she
15 receives lucrative compensation. As a trusted director, she conducted little, if any,
16 oversight of the scheme to make and/or cause the Company to make false and misleading
17 statements, consciously disregarded her duties to monitor such controls over reporting and
18 engagement in the scheme, and consciously disregarded her duties to protect corporate
19 assets. Moreover, Defendant Winter has materially benefitted from the Individual
20 Defendants' breaches of fiduciary duty alleged herein, having made insider sales while the
21 Company's stock price was artificially inflated as a result of the false and misleading
22 statements alleged herein, with personal proceeds of approximately \$109,202. For these
23 reasons, too, Defendant Winter breached her fiduciary duties, faces a substantial likelihood
24 of liability, is not independent or disinterested, and thus demand upon her is futile and,
25 therefore, excused.

26 179. Additional reasons that demand on the Board is futile follow.

27 180. Defendants Puckett (as Chair), Andersen, and Betor served as members of the
28

1 Audit Committee at all relevant times (collectively, the “Audit Committee Defendants”).
2 As such, they were responsible for the effectiveness of the Company’s internal controls,
3 the truth and accuracy of the Company’s financial statements, and the Company’s
4 compliance with applicable laws and regulations. During the Relevant Period, they violated
5 the Audit Committee Charter by engaging in or permitting the Company to engage in the
6 dissemination of materially false and misleading statements to the public and to facilitate
7 the Individual Defendants’ violations of law, including breaches of fiduciary duty and
8 violations of the Exchange Act; failed to adequately exercise their risk management and
9 risk assessment functions; and failed to ensure adequate Board oversight of the Company’s
10 internal control over financial reporting, disclosure controls and procedures, and the Code
11 of Ethics. Thus, the Audit Committee Defendants breached their fiduciary duties, are not
12 independent or disinterested, and thus demand is excused as to them.

13 181. In violation of the Code of Ethics, the Director-Defendants conducted little, if
14 any, oversight of the Company’s engagement in the Individual Defendants’ scheme to issue
15 materially false and misleading statements to the public and to facilitate and disguise the
16 Individual Defendants’ violations of law, including breaches of fiduciary duty, unjust
17 enrichment, abuse of control, gross mismanagement, waste of corporate assets, and
18 violations of the Exchange Act. In further violation of the Code of Ethics, the Director-
19 Defendants failed to comply with laws and regulations, maintain the accuracy of Company
20 records and reports, avoid conflicts of interest, conduct business in an honest and ethical
21 manner, and properly report violations of the Code of Ethics. Thus, the Director-
22 Defendants face a substantial likelihood of liability and demand is futile as to them.

23 182. Mullen has been and will continue to be exposed to significant losses due to
24 the wrongdoing complained of herein, yet the Director-Defendants have not filed any
25 lawsuits against themselves or any others who were responsible for that wrongful conduct
26 to attempt to recover for Mullen any part of the damages Mullen suffered and will continue
27 to suffer thereby. Thus, any demand upon the Director-Defendants would be futile.
28

1 183. The Director-Defendants' conduct described herein and summarized above
2 could not have been the product of legitimate business judgment as it was based on bad
3 faith and intentional, reckless, or disloyal misconduct. Thus, none of the Director-
4 Defendants can claim exculpation from their violations of duty pursuant to the Company's
5 charter (to the extent such a provision exists). As a majority of the Director-Defendants
6 face a substantial likelihood of liability, they are self-interested in the transactions
7 challenged herein and cannot be presumed to be capable of exercising independent and
8 disinterested judgment about whether to pursue this action on behalf of the shareholders of
9 the Company. Accordingly, demand is excused as being futile.

10 184. The acts complained of herein constitute violations of fiduciary duties owed
11 by Mullen's officers and directors, and these acts are incapable of ratification.

12 185. The Director-Defendants may also be protected against personal liability for
13 their acts of mismanagement and breaches of fiduciary duty alleged herein by directors'
14 and officers' liability insurance if they caused the Company to purchase it for their
15 protection with corporate funds, i.e., monies belonging to the stockholders of Mullen. If
16 there is a directors' and officers' liability insurance policy covering the Director-
17 Defendants, it may contain provisions that eliminate coverage for any action brought
18 directly by the Company against the Director-Defendants, known as, *inter alia*, the
19 "insured-versus-insured exclusion." As a result, if the Director-Defendants were to sue
20 themselves or certain of the officers of Mullen, there would be no directors' and officers'
21 insurance protection. Accordingly, the Director-Defendants cannot be expected to bring
22 such a suit. On the other hand, if the suit is brought derivatively, as this action is brought,
23 such insurance coverage, if such an insurance policy exists, will provide a basis for the
24 Company to effectuate a recovery. Thus, demand on the Director-Defendants is futile and,
25 therefore, excused.

26 186. If there is no directors' and officers' liability insurance, then the Director-
27 Defendants will not cause Mullen to sue the Individual Defendants named herein, since, if
28

1 they did, they would face a large uninsured individual liability. Accordingly, demand is
2 futile in that event, as well.

3 187. Thus, for all of the reasons set forth above, all of the Director-Defendants,
4 and, if not all of them, at least four of the Director-Defendants, cannot consider a demand
5 with disinterestedness and independence. Consequently, a demand upon the Board is
6 excused as futile.

7 **FIRST CLAIM**

8 **Against the Individual Defendants for Breach of Fiduciary Duties**

9 188. Plaintiff incorporates by reference and realleges each and every allegation set
10 forth above, as though fully set forth herein.

11 189. Each Individual Defendant owed to the Company the duty to exercise candor,
12 good faith, and loyalty in the management and administration of Mullen's business and
13 affairs.

14 190. Each of the Individual Defendants violated and breached their fiduciary duties
15 of candor, good faith, loyalty, reasonable inquiry, oversight, and supervision.

16 191. The Individual Defendants' conduct set forth herein was due to their
17 intentional or reckless breach of the fiduciary duties they owed to the Company, as alleged
18 herein. The Individual Defendants intentionally or recklessly breached or disregarded their
19 fiduciary duties to protect the rights and interests of Mullen.

20 192. In breach of their fiduciary duties owed to Mullen, the Individual Defendants
21 willfully or recklessly made and/or caused the Company to make false and misleading
22 statements and/or omissions of material fact that failed to disclose, *inter alia*, that: (1) the
23 Company claimed it had an intent to implement a reverse stock split in early 2023, when it
24 had no intent to do so; (2) the Company overstated its deals with its purported business
25 partners, MAEO and RRDS; (3) the Company overstated its battery technology; (4)
26 Defendants mislead the public about future reverse stock splits; (5) Defendants failed to
27 conduct proper due diligence and disclosure regarding Hardge's previous financial crimes;
28

1 and (6) Defendants failed to disclose material information about the Company's financing
2 agreements, including those with Esousa Holdings. As a result of the foregoing, the
3 Company's public statements were materially false and misleading and/or lacked a
4 reasonable basis at all relevant times.

5 193. In further breach of their fiduciary duties, the Individual Defendants failed to
6 correct and/or caused the Company to fail to correct the false and misleading statements
7 and/or omissions of material fact referenced herein, which renders them personally liable
8 to the Company for breaching their fiduciary duties.

9 194. Also, in breach of their fiduciary duties, the Individual Defendants caused the
10 Company to fail to maintain internal controls.

11 195. In yet further breach of their fiduciary duties, during the Relevant Period,
12 while shares of Company common stock traded at artificially inflated prices before the
13 fraud was exposed, four of the Individual Defendants engaged in lucrative insider sales,
14 netting combined proceeds of approximately \$6.6 million.

15 196. The Individual Defendants had actual or constructive knowledge that the
16 Company issued materially false and misleading statements, and they failed to correct the
17 Company's public statements and representations. The Individual Defendants had actual
18 knowledge of the misrepresentations and omissions of material facts set forth herein, or
19 acted with reckless disregard for the truth, in that they failed to ascertain and to disclose
20 such facts, even though such facts were available to them. Such material misrepresentations
21 and omissions were committed knowingly or recklessly and for the purpose and effect of
22 artificially inflating the price of Mullen's securities.

23 197. The Individual Defendants had actual or constructive knowledge that they had
24 caused the Company to improperly engage in the fraudulent scheme set forth herein and to
25 fail to maintain internal controls. The Individual Defendants had actual knowledge that the
26 Company was engaging in the fraudulent scheme set forth herein, and that internal controls
27 were not adequately maintained, or acted with reckless disregard for the truth, in that they
28

1 caused the Company to improperly engage in the fraudulent scheme and to fail to maintain
2 adequate internal controls, even though such facts were available to them. Such improper
3 conduct was committed knowingly or recklessly and for the purpose and effect of
4 artificially inflating the price of Mullen's securities. The Individual Defendants, in good
5 faith, should have taken appropriate action to correct the scheme alleged herein and to
6 prevent it from continuing to occur.

7 198. These actions were not a good-faith exercise of prudent business judgment to
8 protect and promote the Company's corporate interests.

9 199. As a direct and proximate result of the Individual Defendants' breaches of
10 their fiduciary obligations, Mullen has sustained and continues to sustain significant
11 damages. As a result of the misconduct alleged herein, the Individual Defendants are liable
12 to the Company.

13 200. Plaintiff, on behalf of Mullen, has no adequate remedy at law.

14 **SECOND CLAIM**

15 **Against the Individual Defendants for Unjust Enrichment**

16 201. Plaintiff incorporates by reference and realleges each and every allegation set
17 forth above, as though fully set forth herein.

18 202. By their wrongful acts, violations of law, and false and misleading statements
19 and omissions of material fact that they made and/or caused to be made, the Individual
20 Defendants were unjustly enriched at the expense of, and to the detriment of, Mullen.

21 203. The Individual Defendants either benefitted financially from the improper
22 conduct, or received bonuses, stock options, or similar compensation from Mullen that was
23 tied to the performance or artificially inflated valuation of Mullen, or received
24 compensation or other payments that were unjust in light of the Individual Defendants' bad
25 faith conduct. This includes lavish compensation, benefits, and other payments provided
26 to the Individual Defendants who breached their fiduciary duties to the Company.

27 204. Plaintiff, as a shareholder and a representative of Mullen, seeks restitution
28

1 from the Individual Defendants and seeks an order from this Court disgorging all profits,
2 including from insider transactions, the redemption of preferred stock, benefits, and other
3 compensation, including any performance-based or valuation-based compensation,
4 obtained by the Individual Defendants due to their wrongful conduct and breach of their
5 fiduciary and contractual duties.

6 205. Plaintiff, on behalf of Mullen, has no adequate remedy at law.

7 **THIRD CLAIM**

8 **Against the Individual Defendants for Abuse of Control**

9 206. Plaintiff incorporates by reference and realleges each and every allegation set
10 forth above, as though fully set forth herein.

11 207. The Individual Defendants' misconduct alleged herein constituted an abuse of
12 their ability to control and influence Mullen, for which they are legally responsible.

13 208. As a direct and proximate result of the Individual Defendants' abuse of
14 control, Mullen has sustained significant damages. As a result of the misconduct alleged
15 herein, the Individual Defendants are liable to the Company.

16 209. Plaintiff, on behalf of Mullen, has no adequate remedy at law.

17 **FOURTH CLAIM**

18 **Against the Individual Defendants for Gross Mismanagement**

19 210. Plaintiff incorporates by reference and realleges each and every allegation set
20 forth above, as though fully set forth herein.

21 211. By their actions alleged herein, the Individual Defendants, either directly or
22 through aiding and abetting, abandoned and abdicated their responsibilities and fiduciary
23 duties with regard to prudently managing the assets and business of Mullen in a manner
24 consistent with the operations of a publicly held corporation.

25 212. As a direct and proximate result of the Individual Defendants' gross
26 mismanagement and breaches of duty alleged herein, Mullen has sustained and will
27 continue to sustain significant damages.

1 213. As a result of the misconduct and breaches of duty alleged herein, the
2 Individual Defendants are liable to the Company.

3 214. Plaintiff, on behalf of Mullen, has no adequate remedy at law.

4 **FIFTH CLAIM**

5 **Against Individual Defendants for Waste of Corporate Assets**

6 215. Plaintiff incorporates by reference and re-alleges each and every allegation set
7 forth above, as though fully set forth herein.

8 216. The Individual Defendants caused the Company to pay the Individual
9 Defendants excessive salaries and fees, to the detriment of the shareholders and the
10 Company.

11 217. As a result of the foregoing, and by failing to properly consider the interests
12 of the Company and its public shareholders, the Individual Defendants have caused Mullen
13 to waste valuable corporate assets, to incur many millions of dollars of legal liability and/or
14 costs to defend unlawful actions, to engage in internal investigations, and to lose financing
15 from investors and business from future customers who no longer trust the Company and
16 its products.

17 218. As a result of the waste of corporate assets, the Individual Defendants are each
18 liable to the Company.

19 219. Plaintiff, on behalf of Mullen, has no adequate remedy at law.

20 **SIXTH CLAIM**

21 **Against Defendants Michery and New for Contribution Under Sections 10(b) and
22 21D of the Exchange Act**

23 220. Plaintiff incorporates by reference and re-alleges each and every allegation set
24 forth above, as though fully set forth herein.

25 221. Mullen and Defendants Michery and New are named as defendants in the
26 Securities Class Actions, which assert claims under the federal securities laws for
27 violations of Sections 10(b) and 20(a) of the Exchange Act, and SEC Rule 10b-5
28 promulgated thereunder. If and when the Company is found liable in the Securities Class

1 Actions for these violations of the federal securities laws, the Company's liability will be
2 in whole or in part due to Defendant Michery's and Defendant New's willful and/or
3 reckless violations of their obligations as officers and/or directors of the Company.

4 222. Defendants Michery and New because of their positions of control and
5 authority as officers and/or directors of the Company, were able to and did, directly and/or
6 indirectly, exercise control over the business and corporate affairs of the Company,
7 including the wrongful acts complained of herein and in the Securities Class Actions.

8 223. Accordingly, Defendants Michery and New are liable under 15 U.S.C. §
9 78j(b), which creates a private right of action for contribution, and Section 21D of the
10 Exchange Act, 15 U.S.C. § 78u-4(f), which governs the application of a private right of
11 action for contribution arising out of violations of the Exchange Act.

12 224. As such, Mullen is entitled to receive all appropriate contribution or
13 indemnification from Defendants Michery and New.

14 **PRAYER FOR RELIEF**

15
16 FOR THESE REASONS, Plaintiff demands judgment in the Company's favor
17 against all Individual Defendants as follows:

18 (a) Declaring that Plaintiff may maintain this action on behalf of Mullen,
19 and that Plaintiff is an adequate representative of the Company;

20 (b) Declaring that the Individual Defendants have breached and/or aided
21 and abetted the breach of their fiduciary duties to Mullen;

22 (c) Determining and awarding to Mullen the damages sustained by it as a
23 result of the violations set forth above from each of the Individual Defendants, jointly and
24 severally, together with pre-judgment and post-judgment interest thereon;

25 (d) Directing Mullen and the Individual Defendants to take all necessary
26 actions to reform and improve Mullen's corporate governance and internal procedures to
27 comply with applicable laws and to protect Mullen and its shareholders from a repeat of
28 the damaging events described herein, including, but not limited to, putting forward for

1 shareholder vote the following resolutions for amendments to the Company's Bylaws
2 and/or Certificate of Incorporation and the following actions as may be necessary to ensure
3 proper corporate governance policies:

4 1. a proposal to strengthen the Board's supervision of operations and
5 develop and implement procedures for greater shareholder input into the policies
6 and guidelines of the board;

7 2. a provision to permit the shareholders of Mullen to nominate at least
8 four candidates for election to the Board;

9 3. a proposal to ensure the establishment of effective oversight of
10 compliance with applicable laws, rules, and regulations;

11 (e) Awarding Mullen restitution from Individual Defendants, and each of
12 them;

13 (f) Awarding Plaintiff the costs and disbursements of this action, including
14 reasonable attorneys' and experts' fees, costs, and expenses; and

15 (g) Granting such further relief as the Court may deem just and proper.

16 **JURY TRIAL DEMANDED**

17 Plaintiff hereby demands a trial by jury.
18

19 Dated: April 8, 2025

Respectfully submitted,

21 **THE BROWN LAW FIRM, P.C.**

22 /s/Robert C. Moest


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Counsel for Plaintiff

VERIFICATION

I, Gary Morga, am a plaintiff in the within action. I have reviewed the allegations made in this Shareholder Derivative Complaint, know the contents thereof, and authorize its filing. To those allegations of which I have personal knowledge, I believe those allegations to be true. As to those allegations of which I do not have personal knowledge, I rely upon my counsel and their investigation and believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this
6 __ day of April, 2025.

Signed by:

79E8BE5DDDEA9422...
Gary Morga